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## Official Statement

# RANCHO SIMI

## RECREATION AND PARK DISTRICT

**\$2,250,000**  
**SERIES OF 1979 BONDS**  
**(Lease Revenue Bonds)**


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**RANCHO SIMI RECREATION AND  
PARK DISTRICT  
PUBLIC FACILITIES CORPORATION  
SERIES OF 1979 BONDS**

**RANCHO SIMI RECREATION AND PARK DISTRICT  
PUBLIC FACILITIES CORPORATION  
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Administrative and Park Services*  
Gordon Lindeen, *District Counsel*

**SPECIAL SERVICES**

**Financing Consultant**

Loeb Rhoades Shearson, Division of  
Shearson Hayden Stone Inc., *San Francisco*

**Bond Counsel**

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco*

**Golf Course Feasibility Consultant**

William Sherman Company, *San Rafael, California*

**Golf Course Architect**

Theodore G. Robinson, *Westlake Village, California*

**Trustee**

United California Bank, *San Francisco*

**Paying Agents**

United California Bank, *Los Angeles and San Francisco*  
Harris Trust and Savings Bank, *Chicago*  
Bankers Trust Company, *New York*

**Title Company**

Western Title Insurance Company, *San Francisco*

[Loeb Rhoades Shearson]

Bonds -- CA -- Simi Valley

Golf courses -- " -- " --  
Finance

Sports facilities -- " -- " --  
"

Simi Valley -- Econ. bonds

COVER: Rancho Simi Recreation and Park District located in  
Ventura County, immediately adjacent to Los Angeles County  
and the City of Los Angeles.

Copyrighted map, courtesy of the National Automobile Club.

THE DATE OF THIS OFFICIAL STATEMENT IS  
OCTOBER 16, 1979



# RANCHO SIMI RECREATION AND PARK DISTRICT PUBLIC FACILITIES CORPORATION

October 16, 1979

## To Whom It May Concern:

The purpose of this Official Statement is to furnish information regarding \$2,250,000 principal amount of Series of 1979 Bonds (the "Bonds") to be issued by the Rancho Simi Recreation and Park District Public Facilities Corporation (the "Corporation"), Simi Valley, California.

The material contained in this Official Statement was prepared by Loeb Rhoades Shearson, Division of Shearson Hayden Stone Inc., as Financing Consultants to and under the direction of the Corporation and the Rancho Simi Recreation and Park District (the "District"). Financing Consultant's fee for services is contingent upon the sale and successful delivery of the Bonds. All information contained in this Official Statement is gathered from sources believed to be reliable but the accuracy thereof is not guaranteed.

All of the following summaries of the statutes, Indenture, Site Lease, Facility Lease, financial analysis, audits, construction contract, and other documents are made subject to the provisions of such documents respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Corporation for further information in connection therewith. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Any statement herein involving estimates and projections may or may not be realized. Any statements herein involving matters of opinion or estimates, whether or not so designated, are to be construed as provisional rather than factual.

The members of the Board of Directors of the Corporation have reviewed this Official Statement and determined that as of the date hereof, to the best of their knowledge and belief, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Corporation will deliver a certificate as to the above, dated the date of Bond delivery, and further certifying that the signatories know of no material adverse change in the condition of the District (not in the ordinary course of operations of the District) which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds, and authorizing the purchaser of the Bonds to distribute copies of the Official Statement in connection with the resale of the Bonds.

The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, will be furnished to the successful bidder at the time of delivery of the Bonds at the expense of the Corporation. Bond Counsel's fee for services is in part contingent upon sale and successful delivery of the Bonds.

Shearson Hayden Stone Inc. may submit a bid for the currently offered Bonds and, if it is the successful bidder, may purchase the Bonds and resell all or a portion of the Bonds to the public.

The execution and delivery of this Official Statement have been authorized by the Corporation.

/s/ Theodore Grandsen

President

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No dealer, broker, salesman or other person has been authorized by Rancho Simi Recreation and Park District Public Facilities Corporation to give any information or to make any representations other than those contained herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the Corporation.



## INTRODUCTION

The Rancho Simi Recreation and Park District Public Facilities Corporation (the "Corporation") is a nonprofit corporation, incorporated on September 14, 1978 for the sole purpose of financing the acquisition and construction of a new public golf course located in Simi Valley, California, for the use and occupancy of the Rancho Simi Recreation and Park District (the "District"). The \$2,250,000 principal amount of Bonds currently being offered for sale will be used for construction of a public golf course, contingencies, fees, bond reserve fund, funded interest, and incidentals. The construction to be financed from Bond proceeds is expected to commence during December, 1979. Under terms of the construction contract, completion is scheduled during August, 1980. Interest on the Bonds has been funded for a period of 15 months while the first District rent payment is not due until July 1, 1981.

The facilities will be leased to the Rancho Simi Recreation and Park District, a political subdivision of the State of California, by the Corporation. Under the terms of the Facility Lease, the District will agree to pay to the Corporation (so long as it has the use and occupancy of the facilities) on or before July 1 and on or before January 1 of each year (commencing on July 1, 1981) a fixed base rental sufficient to meet the annual principal and semiannual interest payments as they come due. The District is further required to pay additional rental equal to any administrative costs assumed under the terms of the agreement. Pursuant to the Indenture, United California Bank will be appointed to act as Trustee. The Trustee will receive all bond proceeds and revenues of the Corporation and will disburse bond funds only as provided in the Indenture.

The District will be responsible for construction, management and operation of the golf course and will budget annually the required rent payments. The primary source of District money to pay base rent and additional rent to the Corporation will be golf course revenues and legally available District general fund moneys, or any other unrestricted revenues.

The District covenants under the Facility Lease to include all rental payments in its annual budget and to make all necessary annual appropriations for such rental payments.

The William Sherman Company golf course feasibility study in Schedule 6 on page 29 of Appendix A of this Official Statement shows projected operating income and expenses for the golf course. The William Sherman Company concludes that "based on the findings of the market, the capabilities of the site, the proposed plans and specifications of the golf course and the accompanying cash flow analysis, it is the William Sherman Company's firm opinion that the Project is exceptionally practical and financially feasible."

**TABLE 1**  
**SELECTED FACTS**

<b>The Bonds</b>	
Principal amount	\$2,250,000
Maturities	1984-2012
Denominations (coupon bonds)	\$5,000
Average life	23.4
Bond years	52,662.5
Maturities callable	February 1, 1994, and after
Maximum coupon rate	9¾%
Maximum coupon spread	2%
Estimated bond reserve (equals estimated maximum debt service)	\$210,000
<b>Financial and Economic Data</b>	
Estimated 1979 district population	90,341
Estimated population of primary market area (including district)	1,167,720
1979/80 district assessed valuation	\$385,220,808
District per capita assessed valuation	\$4,264
District promissory note debt	\$681,190
District general obligation debt	-0-
Ratio of direct debt to assessed valuation	.76%
District overlapping bonded debt	\$53,202,458
Ratio of net direct and overlapping debt to assessed valuation	13.81%





# **SIMI HILLS GOLF COURSE** **Project Site**





## THE BONDS

The \$2,250,000 principal amount of Rancho Simi Recreation and Park District Public Facilities Corporation Series of 1979 Bonds (herein called the "Bonds"), will be dated November 1, 1979 and will mature serially from February 1, 1984 to and including February 1, 2012. Interest is payable for the first nine months on August 1, 1980 and semiannually thereafter on February 1 and August 1 in each year.

### Use of Proceeds, Payment of Debt

Bond proceeds will be used for the construction of a new public golf course, as described in the Project section of this Official Statement, for use by the Rancho Simi Recreation and Park District, Ventura County, California (herein called the "District"). The Rancho Simi Recreation and Park District Public Facilities Corporation (herein called the "Corporation"), a nonprofit corporation, will lease, by a Site Lease, District-owned property and will construct thereon the Project. The Corporation will lease the completed Project by a Facility Lease to the District for a rent sufficient to pay (so long as the District has use and occupancy of the Project) annual principal and semiannual interest on the Corporation's Bonds and to meet additional expenses incurred by the Corporation. When all of the Corporation's Bonds have been retired, the Leases will expire and the Project, and any remaining assets of the Corporation will vest in the District.

### Legal Opinion

Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, will furnish a legal opinion approving the validity of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond.

### Tax Exemptions — California and Federal

In the opinion of bond counsel, interest payable by the Corporation upon its Bonds is exempt from all present Federal income taxes and State of California personal income taxes under existing statutes, regulations and court decisions and a ruling from the United States Department of the Treasury.

### Authority for Issuance of Bonds

The \$2,250,000 Rancho Simi Recreation and Park District Public Facilities Corporation Series of 1979 Bonds are to be issued pursuant to the General Nonprofit Corporation Law of the State of California (Title 1, Division 2, Part 1 of the California Corporations Code) and to the Indenture dated November 1, 1979 to be entered into between United California Bank, as Trustee, and the Corporation. A copy of the proposed form of the Indenture, Site Lease and Facility Lease accompanies this Official Statement.

### Synopsis of Security

The Bonds are a general obligation of the Corporation payable from rent received from the District under the terms of the Facility Lease. The Bonds are secured by the Corporation's pledge of its gross revenues and a lien on its interest in the site and improvements under the terms of the Site and Facility Leases. The Rancho Simi Recreation and Park District will agree to pay to the Corporation a base rental under the Facility Lease in an amount sufficient for the timely payment of principal and interest on the Bonds, so long as the Project is available for use and occupancy by it. The District will also pay an additional rental in an amount sufficient to reimburse the Corporation for all administrative costs such as bank trustee fees, annual audit fees and required insurance costs as described in the legal documents and in this Official Statement.

### MATURITY SCHEDULE

<i>Maturity Date February 1</i>	<i>Principal Maturing</i>
1984	\$ 15,000
1985	20,000
1986	25,000
1987	25,000
1988	30,000
1989	30,000
1990	35,000
1991	35,000
1992	40,000
1993	40,000
1994	45,000
1995	50,000
1996	55,000
1997	60,000
1998	65,000
1999	70,000
2000	75,000
2001	80,000
2002	85,000
2003	95,000
2004	100,000
2005	110,000
2006	120,000
2007	130,000
2008	140,000
2009	150,000
2010	160,000
2011	175,000
2012	190,000



The primary source of District money to pay base rent and additional rent to the Corporation will be gross revenues from the Project. The District is required to use legally available money from the District's general fund or from any other sources to pay a portion or all of the required base and additional rent. Base rental payments required to pay principal and interest shall be satisfied before satisfying the requirements of additional rental payments.

The Facility Lease will be enforceable according to its terms and the District covenants and is required to include in its annual budget the amount needed for payment of rent. The covenants of the District shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Facility Lease agreed to be carried out and performed by the District.

Payment of rent will be made directly to the Trustee for allocation in accordance with the Indenture. Rent payments are, however, subject under certain conditions to abatement as described in the Official Statement and in the legal documents accompanying this Official Statement. The Indenture, Site Lease, Facility Lease and construction contracts which govern the Project have been designed to minimize the possibility of rental abatement and to provide a substitute source to pay principal and interest on the Bonds through a reserve fund, rental interruption insurance, title insurance, earthquake insurance, public liability and property damage insurance, sprinkler system insurance, fire insurance and extended coverage insurance, vandalism insurance and malicious mischief insurance.

Construction of the Project will commence following the delivery of the currently offered Bonds, which delivery is anticipated on or before November 19, 1979. The construction contract requires that work under the contract shall commence within ten calendar days after contract execution and that the Project shall be completed within 240 calendar days after the signing of the construction contracts. Delay of completion beyond the aforementioned number of calendar days caused by the non-performance of the contractor is subject to liquidated damages of \$100 for each day beyond the 240-day completion period until 11 months from date of contract execution. Thereafter, the contractor will be required to pay \$650 for each calendar day that the work remains incomplete.

Interest on the Bonds for the 15-month period from November 1, 1979 through February 1, 1981 is being funded from Bond proceeds. Semiannual rent payments are scheduled to begin July 1, 1981 in time to pay interest due on the Bonds on August 1, 1981.

The Contractors are required to post a 100% Performance of Contract Bond and a 100% Labor and Materials Bond. The Contractors are also required to carry insurance more specifically described hereafter in this Official Statement, during construction and until the buildings have been accepted by the Corporation and the District.

## **1978 Constitutional Amendment and Implementing Legislation**

On June 6, 1978 California voters approved Proposition 13 (the Jarvis-Gann Initiative) which added Article XIII A to the California Constitution. Under one of its provisions, Article XIII A limits the maximum amount of ad valorem tax on real property to 1% of the full cash value of such property. The limit does not apply to ad valorem taxes levied to pay interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978, the effective date of the amendment. Full cash value means the County Assessor's valuation of real property as shown on the 1975/76 tax bill, adjusted to reflect the full cash value of resold property and of newly constructed improvements. The fair market value base may reflect an annual inflationary rate of up to 2%, or a reduction based on the consumer price index or comparable data for the area under the taxing jurisdiction.

## **Supreme Court Validation**

On September 22, 1978, the California Supreme Court upheld the validity of Article XIII A against a number of challenges which attacked Proposition 13 as a whole (Amador Valley Joint Union High School District v. State Board of Equalization). The Court found that it was premature to rule on the claim that Article XIII A impermissibly interfered with contracts in violation of the U.S. Constitution, stating that such a challenge must come when a specific contract or obligation is impaired. In addition, the Court left open for future decision many other questions regarding the detailed interpretation and implementation of Article XIII A.

## **Implementing Legislation**

Section 1 of Article XIII A limits the maximum ad valorem tax on real property to one percent (1%) of full cash value (as defined in Section 2 of Article XIII A) to be collected by the counties and apportioned according to law. Excluded from this limit is an amount of taxes or special



assessments to pay interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978.

Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIII A of \$4.00 per \$100 assessed valuation (based on the prior practice of using 25% of full cash value as the assessed value for tax purposes). Chapter 292 provided that, for the 1978/79 fiscal year only, the tax levied by each county was to be apportioned among all taxing agencies within the county in proportion to their average share of taxes levied in certain previous years. Section 4 of Article XIII A effectively prohibits the levying of any other ad valorem property tax above the limits set in Section 1, even with the approval of the affected voters.

Chapter 292 also contained provisions appropriating a large part of the state's accumulated surplus revenues to be distributed among the state's local government units to replace lost property tax revenues in the 1978/79 fiscal year. Under Chapter 292, funding of public safety services was prioritized. In Ventura County, satisfaction of the public safety priority required all initial moneys allocated by the State. In addition, SB 31, Chapter 12, Statutes of 1979, appropriated additional state general fund moneys for allocation to eligible special districts. Under Chapter 12, the District received \$93,614 in April of 1979.

The apportionment of property taxes in fiscal years after 1978/79 has been revised pursuant to Assembly Bill 8 (Chapter 282, Laws of 1979) which was signed by the Governor on July 24, 1979. Chapter 282 provides relief funds beginning in fiscal year 1979/80 and is designed to provide a permanent system for sharing state taxes and budget surplus funds with local agencies. Under Chapter 282, cities and counties will receive about one-third more of the remaining property tax revenues collected under Proposition 13 instead of direct state aid. School districts are expected to receive a correspondingly reduced amount of property taxes, but will be compensated directly by the state and given additional relief. Chapter 282 will not affect the derivation of the base tax levy (\$4.00 per \$100 assessed valuation) and the bonded debt tax rate.

During 1979/80, special districts, including the Rancho Simi Recreation and Park District, are expected to receive an amount equal to their 1978/79 property tax allocation, plus certain adjustments. Additionally, \$200 million of State "bail-out" funds will be made available for allocation to special districts by county boards of supervisors.

During 1978/79 the District received \$783,365 as its basic property tax allocation from Ventura County. With respect to the District's 1979/80 property tax receipts, Ventura County has reported to the District that allocation of the county's share of additional "bail-out" funds will not be made before December, 1979. As of the date of this Official Statement, the District estimates that it will receive approximately \$1,104,289 in property tax revenues and augmentation revenues in 1979/80. This estimate is based on the amount of prior year property tax revenues and "bail-out" funds received, the District's amount of assessed valuation increase in 1979/80, and an amount from state funds formerly allocated to schools, which are now to be shared by local agencies.

Chapter 282 contains a method for reducing the total cost of the financing program in years when state funds are insufficient. Specifically, for 1980/81, if the total General Fund revenues and transfers, plus beginning surplus, as estimated on June 10, 1980, falls below \$20.6 billion by more than \$100 million, then the cost of the law will be reduced by the amount of the shortfall. Fifty percent of the shortfall would be reflected in an across-the-board percentage cut in school revenue limits. The remaining 50% would be effected through reductions in homeowner and business inventory exemption reimbursements proportionate to the amount of assistance granted by the law. For future years, the Governor's Budget would contain an estimate equivalent to the \$20.6 billion for 1979/80. If the total of revenues, transfers and surplus, as estimated by June 10 of the prior year, fall short of that figure, then similar cuts would be made to make up this shortfall.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

### **Proposed Government Spending Limitation**

A proposed amendment to the California Constitution (Limitation of Government Expenditures — Initiative Constitutional Amendment, commonly referred to as the "Gann Initiative") will appear as Proposition 4 on the ballot of a special statewide general election on November 6, 1979.



Under the Gann Initiative, beginning in 1980/81, the District would have an annual "appropriations limit", and it would not be able to spend certain moneys in an aggregate amount higher than the "appropriations limit". The spending of certain moneys would be excluded however from the "appropriations limit", including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the District's "appropriations limit" would be based on certain 1978/79 expenditures and it would be adjusted annually to reflect changes in consumer prices and population. Among other provisions of the Initiative are: if District revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising the rates or fee schedules over the subsequent two years; and the "appropriations limit" may be changed by vote of the District's electors for a period of not more than four years.

The full text of the Gann Initiative will be supplied on request by Loeb Rhoades Shearson, Division of Shearson Hayden Stone, Inc., 600 Montgomery Street, 47th Floor, San Francisco, California 94111.

The District cannot predict whether this initiative constitutional amendment will be approved by the voters of the state, or if approved, whether the validity of the initiative will be challenged in the courts, or, if so challenged, whether the initiative will be upheld, in whole or in part. However, if the measure were to be approved by the voters and upheld by the courts, the District's appropriations limit could be substantially reduced. The Corporation is unable to predict what effect the initiative will have on the security of the Bonds.

#### **Redemption**

Bonds maturing by their terms on or before February 1, 1993 are not subject to redemption prior to their respective stated maturities except as

set forth in the Indenture from proceeds of insurance paid for loss or substantial damage to the Project facilities or from the proceeds of eminent domain proceedings. Bonds maturing by their terms on or after February 1, 1994, are subject to redemption prior to their respective stated maturities, at the option of the Corporation, as a whole, or in part in inverse order of maturities (and by lot within each maturity), on any interest payment date on or after February 1, 1993 or on any interest payment date thereafter, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, plus a premium of  $\frac{1}{4}$  of 1% of such principal amount for each whole year or fraction thereof, remaining between the date fixed for redemption and their respective stated maturities, but not in excess of 3% of such principal amount. If the Project shall have been taken in eminent domain proceedings or if proceeds of insurance paid for loss or substantial damage to the Project facilities are available for redemption of the Bonds, redemption shall be at the principal amount and accrued interest thereon to date fixed for redemption, without premium.

#### **Payment and Registration**

Principal (February 1) and semiannual interest (February 1 and August 1) are payable at the principal office of the Trustee, United California Bank, San Francisco, California or at the option of the holder, at the principal office of Bankers Trust Company, in New York, New York, or at the office of Harris Trust and Savings Bank in Chicago, Illinois, or at the principal office of United California Bank in Los Angeles, California, (the Paying Agents). First coupon (nine months) is payable August 1, 1980. Coupon Bonds in denominations of \$5,000 are exchangeable for a like aggregate principal amount of fully registered Bonds of the same maturity.



### **National Banks**

Application has been made to the U.S. Comptroller of the Currency for a ruling that the Bonds are eligible for purchase, dealing in, underwriting, and unlimited holding by national banks. Underwriters may verify the status of the ruling by calling Loeb Rhoades Shearson, Division of Shearson Hayden Stone Inc., Financing Consultant to the Corporation, (415) 982-1961.

### **Tax Gain, Amortization of Premium**

These Bonds will be issued initially by the Corporation at not less than their par value; a taxable gain may accrue on Bonds purchased at a discount. Investors are required under existing regulations to amortize any premium paid thereon.

### **Title Insurance**

A policy of title insurance insuring the leasehold interest of the Corporation and the validity of the Leases in accordance with the terms and conditions of the Leases will be provided by Western Title Insurance Company at or prior to delivery of the Bonds. It will be enforceable for the benefit of the Bondholders in the amount of \$2,250,000.

### **Bid Check**

With each bid must be submitted a certified check or cashier's check for \$45,000 drawn on a bank or trust company having an office in San Francisco, California, payable to the order of the Rancho Simi Recreation and Park District Public Facilities Corporation, which shall be retained by the Corporation if after the award of the Bonds the successful bidder fails to complete the purchase on the terms stated in its bid. Checks of the

unsuccessful bidders will be returned by the Secretary of the Corporation. No interest will be paid upon deposits made by any bidder.

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal of a bondholder to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Corporation, provided, however, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by said purchaser.

### **No-Litigation Certificate**

At the time of the delivery, the Corporation will furnish a no-litigation certificate certifying that there is no litigation pending concerning the validity of the Bonds.

### **Official Statement Certificate**

The Corporation will deliver to the purchaser of the Bonds a certificate signed by appropriate officers of the Corporation, dated the date of Bond delivery, stating that as of the date thereof, to the best of their knowledge and belief, the Official Statement does not contain an untrue statement of a material fact or omit to state any

material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and further certifying that the signatories know of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds, and authorizing the purchaser of the Bonds to distribute copies of the Official Statement in connection with the resale of the Bonds.

### **Estimated Annual Bond Service**

Table 2 presents the estimated annual bond service for the Bonds at an assumed interest rate of 8.25%. Upon the recommendation of the William Sherman Company, the semi-annual rent payments will be less during the first three years to reflect the projected increase in the use of the facility. The first base rental payment, estimated at \$93,000 for a six-month period, will be due on July 1, 1981; the second semiannual base rent payment, estimated at \$93,000 will be due on January 1, 1982; the next two succeeding semiannual base rent payments, due on July 1, 1982 and January 1, 1983, respectively, are estimated at \$93,000; the next two succeeding semiannual base rent payments, due on July 1, 1983 and January 1, 1984, are estimated at \$100,500; all subsequent rental payments, estimated at \$103,000, are due on January 1 or July 1 at least 30 days before the bond service to which they are applicable becomes due. Table 2 also shows an estimated annual base rent of \$206,000 per year, or \$103,000 for each six-month period for which base rent is due and payable beginning in fiscal year 1984/85 and continuing throughout the term of the lease.



**TABLE 2**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**PUBLIC FACILITIES CORPORATION, SERIES OF 1979 BONDS**  
**SCHEDULE OF ESTIMATED ANNUAL DEBT SERVICE AND**  
**ESTIMATED BASE RENTAL**

Fiscal Year	Principal Outstanding	Principal Maturing February 1	Interest Estimated at 8.25%*		Total Estimated Debt Service	Total Estimated Base Annual Rental Payments†
			August 1	February 1		
1980/81	\$2,250,000	\$ —	\$ 139,218.75‡	\$ 92,812.50‡	\$ 232,031.25	\$ —
1981/82	2,250,000	—	92,812.50	92,812.50	185,625.00	186,000
1982/83	2,250,000	—	92,812.50	92,812.50	185,625.00	186,000
1983/84	2,250,000	15,000	92,812.50	92,812.50	200,625.00	201,000
1984/85	2,235,000	20,000	92,193.75	92,193.75	204,387.50	206,000
1985/86	2,215,000	25,000	91,368.75	91,368.75	207,737.50	206,000
1986/87	2,190,000	25,000	90,337.50	90,337.50	205,675.00	206,000
1987/88	2,165,000	30,000	89,306.25	89,306.25	208,612.50	206,000
1988/89	2,135,000	30,000	88,068.75	88,068.75	206,137.50	206,000
1989/90	2,105,000	35,000	86,831.25	86,831.25	208,662.50	206,000
1990/91	2,070,000	35,000	85,387.50	85,387.50	205,775.00	206,000
1991/92	2,035,000	40,000	83,943.75	83,943.75	207,887.50	206,000
1992/93	1,995,000	40,000	82,293.75	82,293.75	204,587.50	206,000
1993/94	1,955,000§	45,000	80,643.75	80,643.75	206,287.50	206,000
1994/95	1,910,000§	50,000	78,787.50	78,787.50	207,575.00	206,000
1995/96	1,860,000§	55,000	76,725.00	76,725.00	208,450.00	206,000
1996/97	1,805,000§	60,000	74,456.25	74,456.25	208,912.50	206,000
1997/98	1,745,000§	65,000	71,981.25	71,981.25	208,962.50	206,000
1998/99	1,680,000§	70,000	69,300.00	69,300.00	208,600.00	206,000
1999/00	1,610,000§	75,000	66,412.50	66,412.50	207,825.00	206,000
2000/01	1,535,000§	80,000	63,318.75	63,318.75	206,637.50	206,000
2001/02	1,455,000§	85,000	60,018.75	60,018.75	205,037.50	206,000
2002/03	1,370,000§	95,000	56,512.50	56,512.50	208,025.00	206,000
2003/04	1,275,000§	100,000	52,593.75	52,593.75	205,187.50	206,000
2004/05	1,175,000§	110,000	48,468.75	48,468.75	206,937.50	206,000
2005/06	1,065,000§	120,000	43,931.25	43,931.25	207,862.50	206,000
2006/07	945,000§	130,000	38,981.25	38,981.25	207,962.50	206,000
2007/08	815,000§	140,000	33,618.75	33,618.75	207,237.50	206,000
2008/09	675,000§	150,000	27,843.75	27,843.75	205,687.50	206,000
2009/10	525,000§	160,000	21,656.25	21,656.25	203,312.50	206,000
2010/11	365,000§	175,000	15,056.25	15,056.25	205,112.50	206,000
2011/12	190,000§	190,000	7,837.50	7,837.50	205,675.00	206,000
		\$2,250,000	\$2,195,531.25	\$2,149,125.00	\$6,594,656.25	

\* Interest estimated at 8.25% for financial planning purposes.

† Estimated annual base rent (for financial planning purposes). If interest costs to the Corporation are greater than the interest estimates used herein, the semiannual rental payments will be increased as required.

‡ Funded interest to be paid from bond proceeds.

§ Bonds maturing on or after February 1, 1994 are callable. Bonds are also callable from eminent domain and insurance proceeds at any time as set forth in the Redemption section of this Official Statement and Official Notice of Sale.



## **THE CORPORATION, TRUSTEE AND FINANCING CONSULTANT**

### **The Corporation**

The purpose of the Rancho Simi Recreation and Park District Public Facilities Corporation (herein called the "Corporation") is to finance the acquisition, construction and improvements of a new public golf course for the Rancho Simi Recreation and Park District, Ventura County, California (herein called the "District"). Details relating to the acquisition, construction and improvements to be currently financed for the District are described in the section entitled "The Project".

The following directors of the Corporation are public spirited citizens and residents of the District:

Theodore Grandsen, President  
Audie M. Callaway, Vice President  
Harry Strahl, Treasurer  
Robert J. Larkin, Secretary  
Ginger Gherardi, Member  
Donald P. Hornecker, Member  
Noreen Sigler, Member

The Corporation is empowered by its Articles of Incorporation to take action in its own name necessary to accomplish its purpose. The Corporation will issue Bonds to finance construction of the Project and will lease the Project to the District. The Corporation functions as an independent entity from the District and is empowered to do all of the following:

1. Borrow money and issue debt instruments;
2. Secure payment or performance of its obligations by pledge, mortgage, transfer in trust, or otherwise;
3. Assume obligations, enter into agreements, and issue and sell its securities;
4. Acquire, hold and dispose of real and personal property; and
5. Make donations for any public purpose of the District.

The Corporation's Directors are prohibited from accepting payment for their services and the Corporation's Articles of Incorporation prohibit the Corporation from engaging in any business or activity other than those incidental to its primary purpose: to render assistance to the District by financing the Project or future similar projects.

### **The Trustee and Paying Agents**

The Indenture names United California Bank as Trustee. The Trustee will receive all Bond proceeds, rent payments, interest income and other income of the Corporation and will administer, invest and disburse such money under the terms of the Indenture into the required interest and redemption fund, reserve fund, construction fund, corporate operation fund and operation and maintenance fund. The Trustee will also act as Paying Agent for the Corporation and will authenticate all registered Bonds. Coupon Bond Paying Agents are also United California Bank, Los Angeles, California, Bankers Trust Company, New York, New York and Harris Trust and Savings Bank, Chicago, Illinois. Communications to the Trustee should be addressed to United California Bank, Trust Division, 405 Montgomery Street, San Francisco, California 94104.

### **Financing Consultant**

Loeb Rhoades Shearson, Division of Shearson Hayden Stone Inc. has acted as Financing Consultant to the Corporation concerning the Series of 1979 Bonds and in preparation of the Official Statement. Shearson Hayden Stone Inc. may submit a bid for the Series of 1979 Bonds and, if it is the successful bidder, may purchase the Bonds and resell all or a portion of the Bonds to the public.



**TABLE 3**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**SUMMARY OF SOME OF THE PROTECTIVE PROVISIONS FOR SERIES OF 1979 BONDS**

**I. GENERAL BONDHOLDER PROTECTION**

**A. Bond Reserve Fund.**

1. A sum equal to the maximum annual debt service.
2. Initially funded from Bond proceeds.
3. Replenished from all moneys available after the deposits required by the Interest and Redemption Fund and Operation and Maintenance Fund.

**B. Firm Construction Bids.**

1. Corporation has a firm construction bid of \$2,564,200 in hand.

**C. Facility Lease.**

1. Lease requires District to make semiannual base rent payments for use and occupancy of buildings.
2. Lease is enforceable according to its terms.
3. Rent payments are made directly to Bank Trustee.
4. Various types of insurance including rental interruption, fire and extended coverage, earthquake and liability insurance, are required to minimize any likelihood of default in the event that any or all of the facilities are unavailable for use and occupancy.

**D. General Obligation of the Corporation.**

1. Secured by pledge of gross revenues.
2. Base rental payments required for principal and interest have first call on pledged revenues.

**E. Orrick, Herrington, Rowley & Sutcliffe Opinion.**

1. Bond Counsel will issue a legal opinion approving validity of Bonds.
2. Bond Counsel will issue an opinion that interest payable by the Corporation on its Bonds is exempt from all present Federal income taxes and State of California personal income taxes.

**II. CONSTRUCTION PERIOD BONDHOLDER PROTECTION**

**A. Funded Interest During Construction.**

1. 15 months' funded interest.
2. Bond Reserve Fund equal to the sum of maximum annual debt service is available for debt service.
3. Construction period 240 days for the Project.
4. Liquidated damages to be paid by Contractor in the event of non-completion of the Project at the rate of \$100 for each calendar day beyond the 240-day construction period until 11 months after date of construction contract execution and thereafter \$650 per calendar day.
5. Balance of money in Construction Fund can be used for principal and interest payments.
6. Interest earnings (estimated at \$100,000) augment Construction Fund.

**B. Contractor's Insurance and Bond Requirements (see pages 17 and 18).**

1. Builders' risk insurance completed value form — all risk of physical loss.
2. Earthquake insurance on all structures.
3. Public liability insurance.
4. 100% Labor and Materials Bond.
5. 100% Performance of Contract Bond.

**C. Project Change Orders and Cost Increases.**

1. Construction bid in hand for \$2,564,200 to complete Project.
2. Change orders must be paid for from Corporation contingency funds or by District as tenant's improvements.

**III. POST-CONSTRUCTION BONDHOLDER PROTECTION**

**A. Bond Reserve Fund available, equalling the sum of maximum annual debt service to be replenished from all available moneys after the deposits required by the Interest and Redemption Fund and the Operation and Maintenance Fund.**

**B. Insurance after District accepts Project (see pages 12 and 13).**

1. Rental Interruption insurance (covers estimated reconstruction period plus three months).
2. Fire and extended coverage insurance, including vandalism, explosion, windstorm and other hazards insurance.
3. Earthquake insurance on all structures
4. Public liability and property damage insurance.
5. Title insurance in full amount of issue.

The contents of this Table attempt, among other things, to summarize, but not to explain in detail, provisions made to minimize any likelihood of rental abatement and to provide for a substitute source to pay Bond principal and interest. See the Indenture, Facility Lease, Site Lease and other portions of this Official Statement for a more detailed exposition of the protections outlined in this Table.



## LEGAL DOCUMENTS

The principal provisions of the basic legal documents, for the convenience of investors, are summarized in the following sections of this Official Statement. However, the summarization does not purport to correspond in language, form, sequence or detail to the Basic Legal Documents. Therefore, when specific language is required, please refer to the following appropriate legal documents.

1. **Site Lease:** The Site Lease describes the terms and conditions of the lease of land by the District on which the Corporation agrees to construct the Project for leaseback to the District (see Basic Legal Documents, Pages S 1 through S 10).
2. **Facility Lease:** The Facility Lease provides for the construction of the Project and related improvements on the land leased to the Corporation and for their leaseback to the District (see Basic Legal Documents, pages F 1 through F 21).
3. **Indenture:** The Indenture, dated as of November 1, 1979 is the agreement between the Corporation and Trustee for the benefit of Bondholders (see Basic Legal Documents, pages I 1 through I 87).

### Site Lease for the Project

The Site Lease provides for the lease of District land to the Corporation on which the Corporation agrees to construct the designated facilities described in the Project section of this Official Statement for leaseback to the District. The rental for the site will be \$1.00 per year payable on or before July 1 each year. The term of the Site Lease will commence on the date of recordation of the Lease in the office of the County Recorder of Ventura County or on February 1, 1980, whichever is earlier. The Site

Lease will terminate on July 1, 2012, unless such term is extended or unless the Site Lease is sooner terminated. The Site Lease cannot be extended beyond July 1, 2017. The Site Lease can be terminated sooner than July 1, 2012 if the Bonds are fully paid. On termination of the Site Lease, all permanent improvements of the Corporation vest in the District.

The Site Lease has been approved in final form by the Corporation. The Corporation shall use the leased premises solely for the purpose of constructing the Project thereon and leasing such premises and the Project to be constructed thereon to the District pursuant to the Facility Lease. Reference should be made to the Site Lease included in the Basic Legal Documents section for the complete text.

The District will pay any taxes and assessments if such should ever be due on the land and improvements leased by the Corporation. Any moneys received by the District from eminent domain proceedings shall be used for the payment of the Corporation's outstanding Bonds as described in the Indenture section of this Official Statement entitled "Eminent Domain" and in the text of the Indenture, the Site Lease and the Facility Lease. A policy of title insurance in the principal amount of the Bonds insuring the Corporation's title to the leasehold estate will be provided prior to delivery of the Bonds.

### Facility Lease

The Facility Lease between the District and Corporation provides for the construction of the Project by the Corporation on the land leased to it under the Site Lease and the lease of the Project to the District. For the use and occupancy of the leased premises and the Project, the District agrees to pay the Corporation a semiannual base rent, beginning on July 1, 1981 and on each January 1 and July 1 thereafter to and including January 1, 2012 in an amount which



will be sufficient to meet all of the semiannual payments of the principal and interest on the currently offered Bonds, as long as the District has use and occupancy of the Project. Furthermore, the Facility Lease requires the District to pay additional rent in amounts necessary to meet administrative costs, insurance costs if any, professional fees and other necessary expenses in addition to base rent. Additional rent payments will be billed from time to time together with statements certifying the amount and will be payable by the District within 30 days after receipt of the bill by the District.

*Term of the Lease:* The Facility Lease, dated as of November 1, 1979, will run from the date of recordation with the County Recorder of Ventura County or on February 1, 1980, whichever is earlier, until June 30, 2012, unless such term is extended or unless the Facility Lease is sooner terminated. The Facility Lease cannot be extended beyond June 30, 2012 if the Bonds have been fully paid. It is contemplated that, after construction has successfully terminated, the District will take possession of the leased premises and the facilities constructed thereon on or before July 1, 1981 and will pay its first semiannual rent due on July 1, 1981.

*District's Requirement to Pay Rent:* The District covenants to take such action as may be necessary to include all rental payments in its annual budget and to make the necessary annual appropriations for all such rental payments. The District will furnish to the Corporation and the Trustee copies of each proposed and final budget of the District within ten (10) days after the filing or adoption thereof. The covenants on the part of the District contained in the Facility

Lease shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants in the Facility Lease agreed to be carried out and performed by the District.

The District is to assume responsibility for maintenance and repair of the Project, for the payment of all utility bills and for the reimbursement to the Corporation of all taxes, insurance, assessments and other administrative costs.

*Abatement of Rental:* As with all other nonprofit corporation financing in California for cities, counties and special districts, rent can only be paid for use and occupancy of the leased premises and the Project. Therefore, rental is subject to abatement during any period in which there is substantial interference with the use and occupancy of the leased premises and the Project, in proportion to any portion of the Project not available for such use and occupancy. More specifically, the Facility Lease states:

"The rental shall be abated proportionately, during any period in which by reason of any damage or destruction (other than by condemnation which is hereinbefore provided for) there is substantial interference with the use and occupancy of the Demised Premises and the Project by the District, in the proportion which the initial cost of that portion of the Demised Premises and the Project rendered unusable bears to the initial cost of the whole of the Demised Premises and the Project. Such abatement shall continue for the period commencing with such damage or destruction and ending with the completion by the Corporation of the work of repair or reconstruction.

In the event of any such damage or destruction, this lease shall continue in full force and effect and the District waives any right to terminate this lease by virtue of any such damage or destruction."

Since all or a portion of the rental must be abated during any period in which there is substantial interference with the District's use and occupancy of the leased premises and the Project due to damage or destruction, every effort has been made in the Site Lease, Facility Lease, Indenture and the contract documents which govern the construction of the Project to provide additional sources of money to meet principal and interest payments on the currently offered Bonds both during the construction period and after the District accepts the Project and begins paying rent. Table 3 and the following paragraphs show some of the more important protections for the Bondholders set forth in the construction contract, the Indenture, the Site Lease and the Facility Lease.

*Insurance:* The District shall maintain or cause to be maintained, at all times while any of the Bonds are outstanding the following insurance:

1. *Fire and Extended Coverage Insurance.* Insurance against loss or damage to any structures constituting any part of the Project by fire and lightning, with extended coverage and vandalism and malicious mischief insurance and sprinkler system leakage insurance and boiler insurance, and, following completion of construction, earthquake insurance (but as to such earthquake insurance only if such insurance is available on the open market from reputable insurance companies). Said extended coverage insurance shall, as nearly as practicable, cover loss or damage



by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Project, (excluding the cost of excavations, of grading and filling, and of the land) (except that such earthquake insurance may be subject to a deductible clause of not to exceed 10% of said replacement cost for any one loss and except that such other insurance may be subject to deductible clauses of not to exceed \$50,000 for any one loss), or, in the alternative, shall be in an amount and in a form sufficient, in the event of total or partial loss, to enable the Corporation either to retire all Bonds then outstanding or to restore such structures to the condition existing before such loss.

2. *Liability Insurance.* The District shall procure or cause to be procured, and maintain or cause to be maintained, throughout the term of the Facility Lease, a comprehensive insurance policy or policies in protection of the Corporation and its members, directors, officers, agents and employees and the Trustee, insuring said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Project, with minimum liability limits of \$500,000 for personal injury or death of each person and \$1,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$100,000 (subject to a deductible clause of not to exceed \$1,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$1,000,000 covering all such risks. Such liability insurance

may be maintained as part of or in conjunction with any other liability insurance carried by the District or may be effected under legal self-insurance programs.

3. *Rental Interruption or Use and Occupancy Insurance.* The District shall procure or cause to be procured, and maintain or cause to be maintained, throughout the term of the Facility Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any structures constituting any part of the Project as the result of any of the hazards covered by the all-risk insurance required by the aforementioned Fire and Extended Coverage section, in an amount sufficient to pay the total rent for a period of at least the time allowed for construction of such structures by the construction contractor plus three (3) months, except that such insurance need be maintained as to the peril of earthquake only following completion of construction of the Project and only if such insurance is available on the open market from reputable insurance companies.

Each such policy of insurance shall be in form satisfactory to the Trustee appointed by the Corporation in the Indenture securing the issuance of the Bonds and shall contain a clause making all losses payable to the Trustee as its interest may appear.

If the Contractor fails to effect or maintain insurance as above, the Corporation may insure the Corporation's own interest and charge the cost thereof to the Contractor. If the Corporation is damaged by failure of the Contractor to maintain such insurance, the Corporation may recover as stipulated in the Contract for recovery damages. The policies shall contain a provision that the

coverage afforded under the policies will not be cancelled until at least thirty (30) days after written notice being given to the Corporation.

Furthermore, the building contractor must maintain a Labor and Materials Bond (100%), Performance of Contract Bond (100%) and pay liquidated damages of \$100 for each calendar day past the specified 240-day construction period until 11 months from contract execution date and thereafter, \$650 for each calendar day that the work remains incomplete beyond 11 months.

### **The Indenture**

The Indenture is the agreement between the Corporation and Trustee for the benefit of the Bondholders and is dated as of November 1, 1979. The Indenture sets forth the precise form, execution, registration and exchange of Bonds. It prescribes the Bond redemption provisions, the custody and application of Bond proceeds, rental revenue fund and application thereof. The Indenture also specifies the covenants, security for deposits, investment of funds, remedies of the Trustee and Bondholders and the role of the Trustee. Furthermore, it delineates procedures for execution of instruments by Bondholders, release and replacement of property, amendment of leases, defeasance and other miscellaneous provisions.

The principal provisions of the Indenture will be summarized in the following paragraphs for the convenience of investors. However, the Indenture itself must be referred to for a complete statement of the rights and obligations of the holders of the Bonds and the Corporation. Since the same subject may be included within two or more of the Basic Legal Documents, the following summary does not follow the same sequence or explanation of each item as presented in each document, nor does it purport to be complete.



*Disposition of Bond Proceeds:* The Indenture provides that the Trustee will initially establish three funds into which all proceeds from the currently offered Bonds shall be placed in the following order:

1. *Interest and Redemption Fund:* An amount (together with accrued interest) which shall be sufficient to pay the interest becoming due and payable on the Bonds to and including February 1, 1981 will be placed in this fund;
2. *Reserve Fund:* An amount equal to the maximum annual debt service on the Series of 1979 Bonds will be placed in this fund to be used to pay principal and interest on the Bonds in the event no other funds are available therefor, or at such time said amount could, along with other funds, retire all the outstanding Bonds; and then
3. *Construction Fund:* All remaining Bond proceeds will be set aside in the Project Construction Account for the following purposes: (a) acquisition and construction of the Project, and (b) administrative and overhead expenses and other Project-related expenses.

Upon completion of the Project, a certificate of the Corporation together with the architect's certificate stating all of the costs of construction thereof and incidental expenses have been paid, and the date of completion of the Project, will be delivered to the Trustee. The Trustee shall then transfer any remaining money (less specified costs or expenses subject to dispute) in the Construction Account to the Revenue Fund.

*Corporate Operation Fund:* The Trustee must establish and maintain so long as any of the Bonds are outstanding, a special trust fund designated as the "Corporate Operation Fund" The District must deposit \$2,500 in said fund on the date that the Series of 1979 Bonds become outstanding. The Trustee shall thereafter deposit in the

Corporate Operation Fund all amounts received from the District as Additional Rental under the Facility Leases. The moneys in the Corporate Operation Fund shall be disbursed by the Trustee upon the Written Request of the Corporation for the payment of administrative costs of the Corporation under the Indenture, fees of auditors, accountants, attorneys or engineers, insurance premiums and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its corporate existence or to comply with the terms of the Bonds or the Indenture. The Trustee shall, from time to time and as often as necessary to replenish and maintain a balance of \$2,500 in this Fund give notice to the District of any Additional Rental required to be paid pursuant to the Facility Lease.

*Application of Revenues:* The Indenture requires all of the Corporation's rental revenue and other revenue to be paid to the Trustee and to be placed in the Revenue Fund. Money in the Revenue Fund will be disbursed, applied or set aside by the Trustee in the following order of priority:

1. *Interest and Redemption Fund:* Commencing on or before July 31, 1981, and on or before January 31 and July 31 of each year thereafter, the Trustee shall deposit in the Interest and Redemption Fund an amount equal to the aggregate amount of interest becoming due and payable on the outstanding Bonds on the next succeeding interest payment date, plus an amount equal to one-half of the aggregate amount of principal becoming due and payable on the outstanding Bonds on the next succeeding February 1. Base rental payable by the District, under the Facility Lease, will be set at a level sufficient to pay Bond interest and principal as they become due.

In the event of an abatement of rental under the Facility Lease, the District may be reimbursed from the Interest and Redemption Fund for any prepaid rental which applies to the portion of the Project not available for use and occupancy by the District for the period of abatement and for which no other moneys are available.

2. *Operation and Maintenance Fund:* If at any time the Corporation shall operate the Project, the Operation and Maintenance Fund shall be funded and replenished for all amounts which shall be estimated to be required to provide for the payment of all costs of maintenance and operation of the Project during the next twelve months.
3. *Reserve Fund:* The Trustee, on or before January 31 and July 31 of each year (commencing on or before July 31, 1981), shall deposit in the Reserve Fund (the initial amount equalling the maximum annual debt service will be established from Bond proceeds) all moneys available after the deposits required by the Interest and Redemption Fund and the Operation and Maintenance Fund have been made. If on February 2 of any year (on or after February 2, 1982) the amount in the Reserve Fund exceeds the maximum annual debt service on the Bonds, the Trustee shall pay the amount of such excess to the District in accordance with the specific criteria set forth in the Indenture (pages 139 to 140).

Any money in any fund (except the Operation and Maintenance Fund) may be invested by the Trustee in time deposits or federal securities which, as provided by law, are secured by collateral security. Interest or profits on investments shall be credited to the account from which the investments are made, except that any interest or profit on investments of Interest and Redemption Fund moneys and of Reserve Fund moneys received during the construction period are to be transferred to the Project Construction Fund.



**Insurance:** The Corporation shall maintain or cause to be maintained, at all times while the Bonds are outstanding, various insurance coverage to minimize any likelihood of rental abatement and to provide a substitute for payment of principal and interest on the Bonds. The major features of these types and amounts of insurance coverages are discussed under the heading "The Facility Lease" in the Official Statement and on pages I 43 through I 46 of the Indenture and on pages F 7 through F 9 of the Facility Lease.

**Eminent Domain:** If all or any portion of the trust estate is taken by eminent domain, proceeds from any eminent domain award or any agreement made prior to eminent domain are payable to the Trustee. The Trustee shall use said money, if Project operation has not been materially damaged, to repair or rehabilitate the Project or shall treat said moneys as revenues. If eminent domain is material, all proceeds shall be used to redeem the currently offered Bonds as provided for in Section 4.02 or 6.02 of the Indenture.

**Issuance of Additional Series of Bonds:** The Corporation, under provisions of the Indenture (Section 4.06 through Section 4.07 on pages I 33 through I 37) may issue additional series of parity bonds secured by increased base rental payments for completion of the Project or for construction of additional facilities. It is not currently anticipated by the District or Corporation officials that any additional series of bonds will be issued by the Corporation.

**Covenants of the Corporation:** Some of the important covenants the Indenture sets forth, but not all of the covenants, are summarized below:

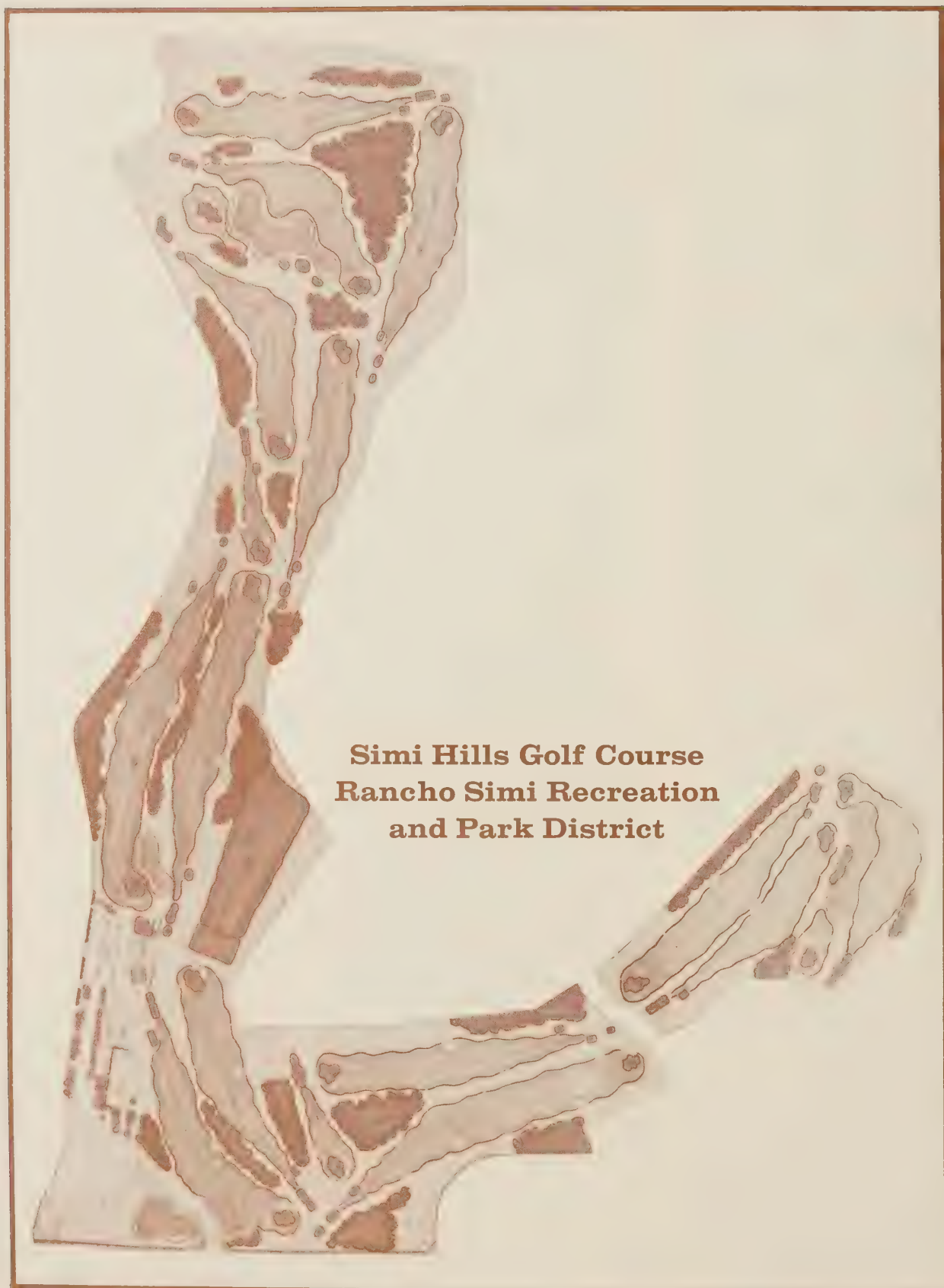
1. The Corporation will construct the Project.
2. The Corporation will punctually pay principal and interest.

3. The Corporation will promptly collect all rents and charges due for occupancy or use of the facilities and will confirm that said necessary revenues are budgeted and levied by the District.
4. The Corporation will maintain or cause to be maintained the Project in good condition and will keep it in good repair.
5. The Corporation will keep proper books of record and account and will prepare annual financial statements.
6. The Corporation will comply with the Indenture and will faithfully observe and perform all covenants, conditions and requirements of the Indenture.
7. The Corporation will not extend interest payments.
8. The Corporation will only issue additional bonds under the provisions of the Indenture and will keep the trust free from other liens, except as may be permitted by the Indenture.
9. The Corporation will promptly take such action as may be necessary or proper to defend title and will comply with requirements for recording.

The aforementioned covenants and other covenants may be examined in detail in the Indenture.

**Other Articles of the Indenture:** The prospective Bondholder is again expressly referred to the Indenture, Site Lease and Facility Lease for specific language relating to definitions, the Bonds, Redemption, Remedies on Default, the Trustee, Modification of the Indenture, Defeasance and other important subject matters.





**Simi Hills Golf Course  
Rancho Simi Recreation  
and Park District**



## THE PROJECT

Proceeds of the currently offered Bonds will be used to finance construction of the Simi Hills Golf Course, an 18-hole championship golf course with lighted driving range, pro shop/coffee shop, parking, maintenance and storage facilities. The golf course and related facilities will be located on a 164.2-acre site owned by the Rancho Simi Recreation and Park District. The site for the proposed golf course, as shown on the site map on page 2, is one-half mile north of the Simi Valley-San Fernando Freeway (State Highway 118), bounded by Texas Avenue on the west and Alamo Street on the south. The golf course will provide three separate tees for each hole: the championship hole course tee, with a distance of 6,555 yards; the men's tee, covering 6,165 yards; and the women's tee covering 5,520 yards. Par for the course will be 36-35--71.

The golf course has been designed by Ted Robinson, international golf course designer. Nondomestic golf courses designed by the Theodore G. Robinson firm include the Princess Hotels in Acapulco and Bermuda; West Molokai, Hawaii, and two courses in Japan. Domestic work includes public courses for the County of Los Angeles; courses in Palm Springs, Desert Hot Springs, Camarillo and Thousand Oaks.

The 2,416-square foot pro shop/coffee shop, designed by O. Randolph Jones of Los Angeles, will serve as the control station for all golf course activities. A separate starters' station is to be installed in the pro shop, while the balance of the shop will be used for the display and sale of merchandise and the coffee shop. A driving range, accessible to both golfers and driving-range-only customers, will be located adjacent to the pro shop. The maintenance yard contains 10,500 square feet while the golf cart storage area measures 7,950 square feet. Parking will be provided for 150 cars.

Utilities are available at the site perimeter. Potable and irrigation water will be supplied by the City of Simi Valley municipal water system. Sewer service will be supplied by the Simi Valley County Sanitation District. Natural gas and electric power lines are available adjacent to the property.

Construction bids for the Project have been received with the low bid to be awarded simultaneously with the award of Bonds contingent upon a successful Bond delivery. The low bid for construction and earthwork, in the amount of \$2,564,200, was submitted by C. A. Rasmussen, Inc. Incorporated in 1967, with contractor's license number 254681-A, and headquartered at 490 Easy Street, Simi Valley, California, the firm's principal officers are as follows: C. Dean Rasmussen, President; Charles A. Rasmussen, Vice President; Larry R. Rasmussen, Vice President and Secretary; R. Dean McElroy, Vice President; Leo Blair, Vice President; and Ronald Bambeck, Treasurer. The firm's principal banking activities have been with Bank of America, Palmdale, California, while the firm of Richard Greenberg, CPA, Los Angeles, prepares annual financial reports. Bonding for the Project will be with Employers Insurance of Wausau in Los Angeles.

C. A. Rasmussen has been building in California since 1967 with an average of approximately \$10,000,000 in annual volume of completed work. The firm specializes in earthwork and site improvements and subcontracts other aspects of the construction.

### Construction Period and Liquidated Damages

Commencement of construction of the Project will occur after delivery of the Bonds by the Corporation and receipt of Bond proceeds. The

construction requires completion of the Project in 240 calendar days. Delay of completion beyond 240 days caused by nonperformance of the contractor is subject to liquidated damages of \$100 for each day until eleven months after the date of contract execution. Thereafter, the contractor will be required to pay \$650 for each day of unexcused delay.

### Performance Bonds

C. A. Rasmussen, Inc. must maintain a 100% labor and materials bond and a 100% performance bond in an amount equal to the contract price.

### Insurance

The Corporation will require the contractor to take out and maintain during the life of the contract and until final acceptance of the work, builders' risk completed value form—all risk of physical loss insurance. Such insurance shall be in an amount equal to the replacement cost of all structures constituting any part of the Project, except that such insurance (except earthquake insurance) may be subject to deductible clauses of not to exceed \$50,000 for any one loss, and the contractor shall be responsible for losses uninsured against by reason of such deductible clauses. Earthquake insurance may be subject to a deductible clause of not to exceed ten percent (10%) of such replacement cost for any one loss.



The Corporation will require the contractor to maintain at all times during construction, public liability insurance with minimum limits of \$500,000 for personal injury or death of each person and \$1,000,000 for personal injury or deaths of two or more persons in each accident or event. In addition, the contractor will be required by the Corporation to maintain at all times during construction, property damage insurance in a minimum amount of \$100,000 for each accident.

#### Rental Income Insurance

The Corporation will require the contractor to take out and maintain until completion and acceptance of the Project, rental income insurance on each structure constituting any part of the Project, in an amount not less than the portion of the total rental payable by the District pursuant to the facility lease attributable to such structure for a period of at least the time allowed for construction of such structure plus three (3) months, to insure against loss of rental income from the Project caused by the perils covered by the insurance required above. Any such insurance policy shall contain a loss payable clause making any loss thereunder payable to the owner, as its interests may appear.

The contractor will be required to maintain at all times during the life of the construction contract, Workmen's Compensation Insurance for all of his employees at the site of the Project, and the contractor will require any subcontractor to similarly provide Workmen's Compensation Insurance for all employees not covered by the contractor's policy.

#### Use of Bond Proceeds

Table 4 presents an estimated allocation of Bond proceeds and sources and uses of funds.

**TABLE 4**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**PUBLIC FACILITIES CORPORATION BONDS, SERIES OF 1979**  
**PROJECT SOURCES AND USES OF FUNDS**

SOURCES OF FUNDS	
Rancho Simi Recreation and Park District*	\$ 400,000
City of Simi Valley*	505,000
Bond proceeds	2,200,000†
Interest earnings	100,000
Total Project Funds	\$3,205,000
USE OF PROJECT FUNDS	
Construction contract, C. A. Rasmussen, Inc.	\$2,564,200
Contingencies and change orders‡	100,800
Administration and overhead expenses (including trusteeship, printing, title insurance, legal counsel, other professional services and miscellaneous)	98,000
Reserve fund (maximum annual debt service)	210,000
Funded interest (15 months)	232,000
Project Costs	\$3,205,000

\* Pursuant to a joint powers agreement between the City of Simi Valley and the Rancho Simi Recreation and Park District, the city will loan the District \$505,000 for Project purposes. The \$505,000 loan from the city will be repaid to the city, with interest, from the net proceeds derived from the operation of the golf course in excess of the amounts necessary for payment of all direct operating expenses and for payment of debt service expenses for the Corporation's Bonds. Determination of the precise periodic payment shall be mutually agreed upon by the city and the District. The District will make a cash contribution of \$400,000. These funds will be deposited with the Trustee at the Bond closing for application to construction costs.

† This amount reflects an estimated \$50,000 discount in the sale of the Bonds.

‡ Available for contingencies and change orders, if any. District will pay for all architect fees, plan check and inspection fees, soils and construction tests and all other costs related to the Project and not included in the construction contract. Architects' total project-related fees are \$36,100, which the District will pay.



## DISTRICT ORGANIZATION AND FINANCIAL DATA

The Rancho Simi Recreation and Park District was organized in 1961 under provisions of the Recreation and Park District Act (Sections 5780 et seq. of the California Public Resources Code). The original District name, the Simi Valley Recreation and Park District, was changed to its present title to reflect the area's heritage, the District's present boundaries being approximately the same as those in the original Rancho Simi Spanish land grant of 1795.

The District is governed by a Board of Directors comprised of five members elected for four-year terms. Mr. Jerry Lee Gladden joined the District staff in 1969 and was appointed General Manager in December, 1978. His duties and responsibilities involve all administrative areas necessary for the District to carry out a diversified public park and recreation program. Prior to becoming General Manager, Mr. Gladden served the District as Administrative Services Officer, Administrative Assistant and Acting General Manager.

Mr. Donald E. Hunt was appointed Assistant General Manager-Administrative and Park Services for the District in December, 1978. Mr. Hunt had served as Park Superintendent of the District since 1971. He is responsible for planning and developing new parks and recreational facilities and for the maintenance of existing facilities. Mr. Hunt was Operating Supervisor for Cerritos Junior College District in Norwalk, California from 1958 to 1971 and Assistant Supervisor of Parks for the City of Whittier, California from 1957 to 1958.

The District's full-time staff currently numbers 42 employees. Part-time employees range from an average of

40 people during the winter months to 100 during summer months. Currently filled CETA positions number 16. The present number of employees reflects cutbacks made necessary by Article XIII A, the state constitutional amendment which was approved by California voters as Proposition 13 on June 6, 1978. For the 1977/78 fiscal year, the District had 58 budgeted full-time positions, 38 CETA positions, and normally employed around 150 part-time employees.

### District and Project History

In 1961, residents of the Simi Valley became concerned when extensive open lands in the Simi Valley were being purchased for development of tract homes. While Ventura County maintained two regional parks in the valley, many citizens felt that an independent recreation and park district was necessary. As a consequence, in October of 1961, a majority of voters cast their ballot to establish the Simi Valley Recreation and Park District. Since 1961, the growth of the District's recreational programs and park facilities has paralleled the growth of Simi Valley itself. The District now provides residents with approximately 114 year-round recreational programs. District land holdings total 1,631 acres of developed and undeveloped parks, natural park sites and open space areas. The District's programs place particular emphasis on the needs of senior citizens, the handicapped and other special interest groups.

During 1977, the District began an update of its general plan by conducting an extensive public input program to determine interests and needs of local residents. The updated plan, now being formalized, will become the master plan for the District's park and recreation system.

In 1978, after the passage of Proposition 13, the District was forced to restructure activities based upon reduced property tax revenues. Two organizations were established to actively involve citizens in District planning, operation and fund raising.

The Rancho Simi Foundation was formed to channel community support and financial contributions into the District and the Volunteer Citizens Advisory Committee was formed to communicate community needs to the District and to encourage and develop public support of parks, open space and recreational opportunities available to local residents.

Also during 1977, the District began planning for the construction of a golf course on a 153-acre parcel donated to the District for public recreation, including a regulation 18-hole golf course. The District purchased an additional 11.2 acres to complete the approximately 164-acre site to be developed as a golf course.

In September of 1978, a nonprofit corporation was formed for sale of the currently offered Bonds to finance the golf course. Construction is scheduled to begin after delivery of the Bonds and the course is expected to be open for play prior to July of 1981.

### Financial Feasibility Consultant

The William Sherman Company, San Rafael, California, was retained by the District in 1977 to prepare a study concerning the feasibility of the proposed Simi Hills Golf Course. The William Sherman Company's financial feasibility study is included in this Official Statement as Appendix A.

The William Sherman Company, founded in 1963, has extensive background in golf course economic feasibility analysis, capital and financial analysis, golf course appraisals and management systems analysis. The firm has represented over 50 public agencies in California as well as numerous private enterprises.

#### Financial Analysis

The complete text of the William Sherman Company financial feasibility study, which projects revenues and expenses, is included in Appendix A of this Official Statement.

The financial feasibility study included a review of the estimated revenues required to cover the estimated operating costs and semiannual base rental payments to the Corporation. The analysis incorporated projections of activities based on estimates of future golf course demand.

Based on the various assumptions contained in the report of William Sherman Company, the projection indicates that sufficient income will be generated to meet the golf course's operating expenses and semiannual rental payments to the Corporation from operating revenues except during the first year or two when the District will have to make up any difference needed to pay semiannual base rent payments.

The William Sherman Company concludes that "based on the findings of the market, the capabilities of the site, the proposed plans and specifications of the golf course and the accompanying cash flow analysis, it is the William Sherman Company's firm opinion that the Project is exceptionally practical and financially feasible."

#### District Assessed Valuations

Property in the District is assessed by the Ventura County Assessor except for public utility property which is assessed by the State Board of Equalization. All ad valorem taxes levied on property in the District are due at the same time as and are based on the same rolls as county taxes. Ad valorem taxes on secured and utility property are payable on November 1 and February 1 of each fiscal year and become delinquent on December 10 and April 10 respectively.

Table 5 presents a history of District assessed valuations, secured tax levies and delinquencies from 1969/70 to 1979/80. During this eleven-year period, total assessed valuation increased by 200%, from \$127,769,555 in 1969/70 to \$385,220,808 in 1979/80.

The District's 1979/80 assessed valuation increased almost 25% over 1978/79. In June, 1978, the California electorate approved Proposition 13 which added Article XIII A to the California Constitution. During 1978/79, the first fiscal year of operating under the provisions of Article XIII A, assessed valuation in the District declined by 8% over the prior year. Article XIII A limits the maximum ad valorem tax on real property to 1% of full cash value and defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment".

The Ventura County Assessor's office reports that District assessed valuation showed an increase in 1979/80 resulting from strong residential

**TABLE 5**  
RANCHO SIMI RECREATION AND PARK DISTRICT  
ASSESSED VALUATIONS, TAX LEVIES AND DELINQUENCIES

Fiscal Year	Assessed Valuation*	District Secured Tax Levy	Delinquent June 30	
			Amount	Percent
1969/70	\$127,769,555	\$ 469,337	\$23,567	5.02%
1970/71	151,338,392	596,190	29,706	4.98
1971/72	168,115,050	802,395	38,672	4.82
1972/73	178,907,528	863,125	30,400	3.52
1973/74	183,509,374	884,057	23,205	2.62
1974/75	200,650,918	1,016,553	45,593	4.49
1975/76	211,643,700	1,128,136	22,393	1.99
1976/77	257,098,574	1,392,548	16,416	1.18
1977/78	336,839,727	1,883,659	25,995	1.38
1978/79	309,438,261†	705,673‡	11,495	1.63
1979/80	385,220,808	n.a.	n.a.	n.a.

\* Includes homeowners' and business inventory exemptions.

† The decrease of \$27,401,466 in assessed valuation in 1978/79 from the prior fiscal year reflects the restrictions on the District's ability to levy ad valorem taxes on real property as imposed by Article XIII A of the State Constitution.

‡ District's post-Article XIII A share of the \$4.00 per \$100 assessed valuation general county levy. Source: County of Ventura Auditor-Controller's office.



growth as prices of new homes in Los Angeles County continue to rise. Single-family residential building permit valuations for the seven-month period through July, 1979 in the City of Simi Valley (the city accounts for 80% of District 1979/80 assessed valuation) have totalled \$36,555,000, which will result in further increases in assessed valuation, as compared to \$26,638,000 in single-family residential building permit valuations for the entire year of 1978.

District delinquencies on secured property levies have averaged 2.75% over the ten-year period shown in Table 5 and 1.49% for the last four years. As vacant land within the District has been developed with single-family houses, tax delinquency rates have decreased proportionately during the last four years.

The impact of Article XIII A is again illustrated in the substantial decline in the District's secured tax levy for 1978/79. District share of the Ventura County \$4.00 tax levy on secured property was \$705,673, a 62.5% decline from the 1977/78 secured levy.

California presently exempts 50% of the value of business inventories from ad valorem taxes and provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling, if the owner files for the exemption. Historically, revenue lost to each taxing entity as a result of such exemptions has been fully reimbursed to the taxing entity from state funds, based upon total taxes which would have been due on the assessed valuation of the property qualifying for those exemptions, without allowance for tax collection delinquencies.

Assembly Bill 66, enacted as Chapter 1150, Statutes of 1979, exempts 100% of the assessed value of business inventories from property taxation for fiscal year 1980/81 and for subsequent fiscal years. Starting in fiscal year 1980/81, the state will reimburse local

agencies for revenue losses due to the 100% exemption of business inventories from taxation.

In 1980/81, the reimbursement to a local agency will equal twice the 1979/80 state reimbursement for business inventory exemptions. In subsequent years the state reimbursement will equal total reimbursement for the previous year increased by an allowance for the increased cost of living and increased District area population. The business inventory exemptions in the Rancho Simi Recreation and Park District amounted to \$2,708,508, or 7/10ths of 1% of total 1979/80 assessed valuation. Homeowners' exemptions totalled \$29,422,460 in the 1979/80 fiscal year. Table 6 presents the components of the District's 1979/80 assessed valuation.

### District Tax Rates

Prior to the passage of Article XIII A, the Rancho Simi Recreation and Park District, along with other municipalities and special purpose districts, levied property taxes, subject to certain legal limitations, as necessary to fund budgeted expenses. Table 7 presents a comparison of the total tax rates for the two largest tax code areas in the District for 1976/77, 1977/78, and 1978/79. (Tax rates for 1979/80 were not available from the County of Ventura as of the date of this Official Statement.)

The total tax rate per \$100 of assessed valuation in Code Area 9-06 (the City of Simi Valley), totalled \$9.7560 in 1977/78 and \$10.6361 in 1976/77. In Code Area 84-018 (the unincorporated portion of the District), the total tax rates for 1977/78 and 1976/77 were \$9.7311 and \$10.6112, respectively. In 1978/79, as shown in the table, the tax rates, reflecting passage of Article XIII A, declined to \$5.2173 in each code area. The \$5.22 rate is comprised of the Ventura County tax rate of \$4.00 per \$100 of assessed valuation and \$1.22 for previously voted bonded debt.

**TABLE 6**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**1979/80 ASSESSED VALUATION**

Local secured	\$320,667,957
Utility	12,656,865
Unsecured	19,765,018
Business inventory exemptions	2,708,508
Homeowners' exemptions	29,422,460
Total	\$385,220,808

Source: County of Ventura Auditor-Controller's office.

## General Fund

The District must pay the Corporation, a base rent in an amount sufficient to pay all principal and interest on the \$2,250,000 currently offered bonds. It is currently estimated that District semiannual base rent payments (payable on July 1 and January 1 of each year beginning July 1, 1981) and additional rent payments will be paid from surplus revenues obtained from the operation of the golf course after all operating expenses have been met. However, if golf course revenues after all expenses are not sufficient to cover necessary semiannual base rent and additional rent payments when due, the District is obligated under the Facility Lease to make up any required difference from its general fund or other legally available moneys.

Table 8 presents a four-year summary of the District's General Fund revenues and expenditures and the adopted budget for 1979/80, along with a statement of investment in fixed assets. The District uses the accrual basis of accounting except for grant funds which are recognized upon receipt. General fixed assets are capitalized at cost if purchased and at estimated fair market value if received by donation. Depreciation has been provided for using the straight-line method over the asset's useful life. Assets are not depreciated during the year of acquisition. General long-term debt has historically been serviced by general tax levies of the General

Fund, which also is used to meet specified operating expenses and capital outlays.

The District's base property tax allocation was \$783,365 in 1978/79. During the 1979/80 fiscal year the District anticipates receiving \$1,104,289 in property tax revenues and augmentation revenues. The 1979/80 projection is based on the amount of prior year property tax revenues and "bail-out" funds received, a 24.5% increase in District 1979/80 assessed valuation, and an amount from state funds formerly allocated to schools, which are now to be shared by local agencies.

In 1978/79 the District experienced a 61% decrease from 1977/78 property tax revenues due to the passage of Proposition 13 on June 6, 1978. To offset revenue losses from Proposition 13, the District increased some fees and charges as reflected in the 54% increase in Recreation Fees over the prior year. Miscellaneous revenues in 1978/79 included contributions of \$37,000 from the State Bond Act of 1974 and Simi Valley Unified School District for a community park swimming pool, \$29,000 from the community of Oak Park for tennis courts, and \$6,000 in citizen donations.

In 1979/80, the District's largest source of budgeted revenue is subventions and grants totalling \$948,647. The District applied for subventions and grants in the amount of \$532,518 in 1978/79. It received \$148,339 during fiscal year 1978/79. \$402,441 was received after the close of the fiscal year, on July 13, 1979. The remaining \$546,206 of budgeted subventions and grants for 1979/80 includes \$323,496 which has been approved but not received, and \$222,710 which has not been approved, but which the District anticipates will be approved during this fiscal year.

**TABLE 7**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**HISTORICAL TAX RATE**

	1976/77	1977/78	1978/79
<b>Code Area 9-06 — City of Simi Valley*</b>			
Ventura County	\$ 2.7387	\$2.1250	\$4.0000
Simi Valley Unified School District	4.1858	4.1620	—
Ventura Community College	.6076	.6743	—
Special districts and other education	2.4451	2.1458	—
Simi Valley Recreation and Park District	.6589	.6489	—
Previously voted bonds	—	—	1.2173
Total†	\$10.6361	\$9.7560	\$5.2173
<b>Code Area 84-018 — Unincorporated</b>			
Ventura County	\$ 2.7387	\$2.1250	\$4.0000
Simi Valley Unified School District	4.1858	4.1620	—
Ventura Community College	.6076	.6743	—
Special districts and other education	2.4202	2.1209	—
Simi Valley Recreation and Park District	.6589	.6489	—
Previously voted bonds	—	—	1.2173
Total†	\$10.6112	\$9.7311	\$5.2173

\* The City of Simi Valley does not levy a tax; therefore, no city tax rate is shown.

† Levied on all land, improvements and personal property; excludes, in 1976/77: in Code Area 9-06, a total of \$0.7888 and in Code Area 84-018, a total of \$0.0650 levied on land and improvements only; in 1977/78: in Code Area 9-06, a total of \$0.7344 and in Code Area 84-018, a total of \$0.0606 levied on land and improvements only, plus \$0.0234 in Code Area 84-018 on land only; in 1978/79: in Code Area 84-018, a total of \$0.0191 on land only.

Source: County of Ventura Auditor-Controller's office.



## Appendix – Financial Feasibility Study

The attached Appendix A is an integral part of this Official Statement. The financial feasibility study included in Appendix A to this Official

Statement has been prepared by William Sherman Company and has been so included in reliance upon the expertise of such firm in assessing the operations of and forecasting the financial results of the operation and maintenance of the golf course.

**TABLE 8**  
RANCHO SIMI RECREATION AND PARK DISTRICT  
SUMMARY OF GENERAL FUND REVENUES AND EXPENDITURES

	1975/76	1976/77	1977/78	1978/79	Adopted Budget 1979/80
<b>GENERAL FUND</b>					
<b>Revenues</b>					
Property taxes*	\$1,216,406	\$1,506,981	\$1,997,930	\$ 787,089	\$ 904,439
State aid – homeowners' and business inventory exemptions	191,606	198,631	203,831	163,836	199,850
Federal and other grants	107,262	32,341	509,213	148,339	948,647
Recreation fees	129,813	136,957	143,250	220,601	234,000
Interest	23,602	27,165	47,693	85,423	30,000
Rents and concessions	11,829	13,719	13,702	18,904	16,000
Miscellaneous	8,838	6,429	566	86,192	44,500
<b>Total Revenues</b>	<b>\$1,689,356</b>	<b>\$1,922,223</b>	<b>\$2,916,185</b>	<b>\$1,510,384</b>	<b>\$2,377,436</b>
<b>Expenditures</b>					
Salaries and benefits	\$ 819,357	\$ 871,428	\$1,113,457	\$ 950,492	\$1,219,955
Services and supplies	381,636	413,920	550,228	422,683	589,647
Debt service	196,359	187,026	177,480	159,372	147,230
<b>Total Expenditures</b>	<b>\$1,397,352</b>	<b>\$1,472,374</b>	<b>\$1,841,165</b>	<b>\$1,532,547</b>	<b>\$1,956,832</b>
Excess of revenue over expenditures before capital expenditures	\$ 292,004	\$ 449,849	\$1,075,020	\$ (22,163)	\$ 420,604
Capital expenditures	\$ (28,234)	\$ (355,187)	\$ (684,564)†	\$ (468,248)†	\$ (1,015,193)
<b>BEGINNING GENERAL FUND BALANCE</b>	<b>\$ 512,194</b>	<b>\$ 775,964</b>	<b>\$ 870,626</b>	<b>\$1,285,000‡</b>	<b>\$ 794,589</b>
<b>ENDING GENERAL FUND BALANCE</b>	<b>\$ 775,964</b>	<b>\$ 870,626</b>	<b>\$1,261,082‡</b>	<b>\$ 794,589</b>	<b>\$ 200,000</b>
<b>INVESTMENT IN FIXED ASSETS</b>					
Note proceeds	\$ (355,000)	\$ —	\$ —	\$ —	
Acquisition – net	686,277	361,438	3,228,906	1,386,032	
Note repayments	150,618	155,618	174,200	159,332	
Depreciation	(288,755)	(131,896)	(137,540)	(140,000)	
<b>Net change per year</b>	<b>\$ 193,140</b>	<b>\$ 385,160</b>	<b>\$3,265,566</b>	<b>\$1,405,364</b>	
<b>Beginning investment in fixed asset balance</b>	<b>4,323,904</b>	<b>4,517,044</b>	<b>4,902,204</b>	<b>8,167,770</b>	
<b>End investment in fixed asset balance</b>	<b>\$4,517,044</b>	<b>\$4,902,204</b>	<b>\$8,167,770</b>	<b>\$9,573,134</b>	

\* Secured and unsecured tax revenues excluding homeowners' and business inventory exemptions.

† Includes interfund transfer of \$26,125 in 1977/78 and \$45,899 in 1978/79.

‡ Difference in Ending Fund Balance for 1977/78 and 1978/79 and Beginning Fund Balance is due to different methods of accounting used by District and auditor. The District records expenses when they are incurred. In June 1978, \$23,918 in miscellaneous expenses was incurred which will be paid in 1979/80.

Source: Fiscal years ending June 30, 1975, 1976, 1977 and 1978 were prepared by Alexander Grant & Company, Certified Public Accountants. The financial statements for the year ended June 30, 1979 were submitted to Alexander Grant & Company for audit on October 18, 1979.

### District Direct and Estimated Overlapping Debt

Table 9 presents a statement of the District's direct and estimated overlapping bonded debt. The District has no authorized but unsold bonds and no outstanding general obligation bond debt. The District has outstanding \$681,190 in notes. Current maturities of notes payable during 1979/80 total \$188,718.

The District's share of overlapping authorized and unsold bonds totals \$42,345,147. The District's share of the State School Building Aid Loans to overlapping school districts totals \$38,547,389 as of September 30, 1978. The District has no power under current California law to incur general obligation bond indebtedness.

**TABLE 9**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**STATEMENT OF DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT\***

1979 estimated population	90,341
1979/80 assessed valuation	\$385,220,808†

Entity	Percent Applicable	Debt as of November 1, 1979
Rancho Simi Recreation and Park District Public Facilities Corporation	100.000%	\$ 2,250,000‡
Rancho Simi Recreation and Park District (Notes)	99.555	681,190
Ventura County Public Facilities Corporation	12.996	7,444,758
Ventura County Library District-Simi Valley Civic Center Authority	16.916	606,439
Ventura County Flood Control District, Zone No. 3	29.031	5,218,322
Metropolitan Water District	0.576	2,966,037
Calleguas Municipal Water District	29.000	3,878,750
Ventura County Community College District	13.004	546,168
Simi Valley Unified School District	99.522	6,672,950
Oak Park Unified School District	100.000	3,000,000
City of Simi Valley Civic Center Authority	99.982	1,179,787
City of Simi Valley 1915 Act Bonds	100.000	7,895,843
Ventura County Waterworks District	Various	1,993,954
Protection Districts	100.000	1,599,400
Triunfo County Sanitary District	24.125	1,235,200
Simi Valley County Sanitary District 1915 Act Bonds	100.000	7,425,000
Castaic Lake Water Agency	0.174	32,364
Total Gross Direct and Overlapping Bonded Debt		\$54,626,162
Less: Ventura County Waterworks District (Various self-supporting)		1,423,704
Total Net Direct and Overlapping Bonded Debt		\$53,202,458

	Ratio to Assessed Valuation	Per Capita
Assessed valuation	—	\$4,264
Direct debt	0.76%	32
Total gross direct and overlapping debt	14.18	605
Total net direct and overlapping debt	13.81	589

\* Compiled by California Municipal Statistics, Inc.

† Before business inventory and homeowners' exemptions.

‡ Currently offered bonds.



## **Employee Retirement Benefits**

The District provides retirement benefits for all full-time, permanent employees through a contractual agreement with the Public Employees' Retirement System (PERS) of the State of California. PERS is a state-wide system operated under provisions of the Government Code. The program is funded by employer and employee contributions to the plan, together with income from investments.

The District's contribution to PERS for the 1978/79 fiscal year was 10.810% of base compensation. The rate increased to 11.802% as of July 1, 1979. All PERS members are in one of two classes, safety (this category includes fire fighting and sworn police personnel) or miscellaneous (all employees other than safety). All District employees are members of the miscellaneous members pool of PERS. Miscellaneous member contribution rates are fixed at 7% of base salary. The District contributed a total of \$73,475.50 to PERS for the year ending June 30, 1979 for current service and death benefits.

PERS is required under the State Retirement law to undergo a system evaluation at least every four years, at which time actuarial assumptions are set. Internal intervening checks of actuarial assumptions and other aspects of the program are conducted on a continuous basis. An annual audit is performed to determine that actuarial assumptions are being properly applied. Management Applied Programming, Inc., Los Angeles, California, reports it has reviewed the June 30, 1977 balance sheet prepared by PERS and pronounced the plan fiscally sound.

There are no separate assets and liabilities for current service and death benefits for miscellaneous employee categories in the District because PERS combines assets and liabilities for all members in these categories for PERS.

## GENERAL CHARACTERISTICS OF THE AREA

The Rancho Simi Recreation and Park District was formed in 1961 and covers approximately 116 square miles in the southeast corner of Ventura County. The District borders the San Fernando Valley portion of Los Angeles County on the east. Population data compiled by the Environmental Affairs Department of the City of Simi Valley indicate that as of July 1, 1979 about 87% of the District's population resides in the city, while the remaining 13% resides in the unincorporated area of the District.

The data included here which have been compiled for the City of Simi Valley are applicable to the Rancho Simi Recreation and Park District representing trends and activity in the District. The District's 1979/80 assessed valuation of \$385,220,808 is 1.25 times the city's 1979/80 assessed valuation of \$308,680,289.

The downtown Los Angeles financial center, city hall and county complex are located approximately 40 miles southeast of Simi Valley while the cities of Oxnard and Ventura are located approximately 25 and 30 miles, respectively, to the west. Climate in the Simi Valley is mild with average annual temperatures ranging from a daily low of 51 degrees in winter to a daily high of 71 degrees in summer. Average annual rainfall totals approximately 9.5 inches.

The City of Simi Valley, incorporated in 1969, covers an area of 25 square miles and has an estimated July 1, 1979 population of 78,350. Simi Valley is a general law city operating under the council-manager form of government. The five council members, elected at large to overlapping four-year terms, select a mayor from among their members. The city manager is appointed by the council.

Ventura County, a general law county incorporated in 1872, with a January 1, 1979 estimated population of 488,900, is located along the southern coast of California west of Los Angeles County, east of Santa Barbara County, and south of Kern County. Population, agriculture, commerce and industry are concentrated in the southern half of the 851-square mile county. The northern half of the county consists principally of Los Padres National Forest.

Table 10 shows population growth for the Rancho Simi Recreation and Park District, the City of Simi Valley and the County of Ventura for the past five years. As shown in Table 10, the rate of growth has been steady during this period.

Table 11 presents a percentage breakdown of median age and population total by age group as of December 1, 1978. The table also shows the median household effective buying income for 1976, 1977 and 1978 for the City of Simi Valley, the County of Ventura and the State of California.

**TABLE 10**  
POPULATION AS OF JANUARY 1

	1975	1976	1977	1978	1979
Rancho Simi Recreation and Park District	74,100	75,500	76,700	79,600	90,341*
City of Simi Valley	69,100	70,500	71,700	73,500	78,350*†
County of Ventura	432,500	444,500	458,900	473,900	488,900

\* As of July 1; Source: Environmental Affairs Department of the City of Simi Valley.

† Includes service radius surrounding city.

Source: California State Department of Finance.

**TABLE 11**  
CITY OF SIMI VALLEY, COUNTY OF VENTURA, AND STATE OF CALIFORNIA  
MEDIAN AGE, POPULATION BY AGE GROUP, EFFECTIVE BUYING INCOME

	Median Age	Percent of Population by Age Group				Median Household EBI			Percent Increase
		18-24 Years	25-34 Years	35-49 Years	50 and Over	1976	1977	1978	
City of Simi Valley	25.4	8.4%	23.9%	17.7%	9.4%	\$15,235	\$17,887	\$19,398	27.3%
County of Ventura	27.9	11.8	18.0	18.2	19.1	14,899	16,131	17,487	17.4
State of California	30.2	13.6	16.7	17.1	24.8	14,299	15,629	17,186	20.2

Source: Sales & Marketing Management Survey of Buying Power, 1977; 1978; 1979.



As shown in the table, the median effective buying income for the City of Simi Valley is greater and has grown at a faster pace than that of Ventura County and the state as a whole, for this period. As reported in June, 1979 by the U.S. Department of Commerce, 1977 personal income in the Oxnard-Simi Valley-Ventura standard metropolitan statistical area increased by almost 13% over the previous year.

#### Commercial and Industrial Activity

Table 12 contains a history of taxable transactions for the City of Simi Valley and the County of Ventura from 1970 through 1978. In the City of Simi Valley the volume of total taxable sales for all outlets increased by 244% from 1970 to 1978, while the increase in taxable retail sales during the nine-year period was 234%. In

Ventura County during the 1970 through 1978 period, total taxable transactions grew by 203%, while taxable retail sales registered a 208% increase.

In 1978, 1,360 total outlets (including 382 retail establishments) provided goods, services and employment to the residents of the City of Simi Valley and recorded \$155,576,000 in total taxable transactions, with retail sales accounting for 88.8% of the total. Retail sales during 1978 rose by 20.9% over 1977 figures while total taxable transactions registered a 22.8% gain over 1977.

In Ventura County during 1978, retail sales accounted for 76.0% of total transactions of \$1,857,835,000. Percentage increases for 1978 over the prior year reached 18.5% in retail sales and 19.0% in total taxable transactions.

**TABLE 12**  
CITY OF SIMI VALLEY AND COUNTY OF VENTURA  
TAXABLE TRANSACTIONS AND SALES PERMITS

Year	Retail Sales	Percent Change	Number of Sales Permits	Total Taxable Transactions	Percent Change	Number of Sales Permits
<b>CITY OF SIMI VALLEY</b>						
1970	\$ 41,365,000	—%	285	\$ 45,290,000	—%	731
1971	45,137,000	9.12	294	49,929,000	10.24	829
1972	54,016,000	19.67	303	59,584,000	19.34	885
1973	62,169,000	15.09	304	68,486,000	14.94	878
1974	75,421,000	21.32	316	82,009,000	19.75	959
1975	82,501,000	9.39	340	89,710,000	9.39	1,062
1976	96,334,000	16.77	352	105,406,000	17.50	1,160
1977	114,328,000	18.68	355	126,678,000	20.18	1,245
1978	138,230,000	20.91	382	155,576,000	22.81	1,360
<b>COUNTY OF VENTURA</b>						
1970	\$ 461,394,000	—%	2,894	\$ 613,232,000	—%	6,691
1971	519,219,000	12.53	2,969	674,949,000	10.06	7,072
1972	611,060,000	17.69	3,049	787,340,000	16.65	7,429
1973	700,138,000	14.58	3,067	903,106,000	14.70	7,610
1974	770,855,000	10.10	3,112	1,000,932,000	10.83	8,057
1975	867,556,000	12.54	3,236	1,143,809,000	14.27	8,785
1976	1,002,859,000	15.60	3,411	1,318,829,000	15.30	9,492
1977	1,199,076,000	19.57	3,583	1,560,925,000	18.36	10,259
1978	1,420,704,000	18.48	3,812	1,857,835,000	19.02	10,974

Source: State Board of Equalization, annual summaries of "Taxable Sales in California".

According to the City of Simi Valley Department of Community Planning, four industrial projects totalling 135,970 square feet were completed in the city during 1978. As of September 1, 1979, eleven industrial projects had recently been constructed or were under construction. These eleven projects comprise 21 buildings with a total of 493,120 square feet. Ten additional industrial projects (20 buildings totalling 440,437 square feet), had been approved by the City of Simi Valley. The city now has seven business complexes and industrial parks. A 46-lot subdivision which will be an additional industrial park has been approved by the city.

At the end of September, 1979, the city had in review fourteen industrial projects totalling 185,017 square feet. Also in review are 58 industrial lots contained in five subdivisions of industrial acreage.

The present general plan for the city calls for 4,189 acres of land to be available for industrial use and development. The city's proposed

general plan recommends an increase in the former total to 4,432 acres of land for industrial uses. As of June 1, 1979 there were approximately 543 acres of vacant land in the city zoned for industrial purposes.

Increasing industrial development has been due in large part to successful efforts made by the Simi Valley community to secure state funds for completion of a critical five-mile gap in the Simi Valley-San Fernando Valley Freeway (State Highway 118). Construction of this portion of the freeway is underway, with completion expected in 1982. A \$3.2 million major freeway off-ramp to directly serve the City of Simi Valley main industrial area is also currently under construction.

### Building Activity

In Tables 13 and 14, building permits and valuations are shown for the City of Simi Valley and the County of Ventura, respectively, for the past five years and through July of 1979.

Residential construction activity in the city during the five and a half-year period produced a total of \$168,383,000 in valuations including \$134,568,000 for single-family residences. The city authorized the construction of 2,815 single-family dwelling units during the same period. During 1977, residential permit values reached \$38,782,000 with 967 dwelling units approved. In 1978, \$33,843,000 in residential valuations were recorded for 740 dwelling units. During the first six months of 1979, \$42,625,000 in residential building permits were recorded for 661 dwelling units, an amount 25.9% greater than the 12-month total for 1978. In the past four and one-half years, single-family residential housing accounted for the majority of building activity.

**TABLE 13**  
CITY OF SIMI VALLEY  
BUILDING PERMIT VALUATIONS  
(Dollars in Thousands)

	1974	1975	1976	1977	1978	Through July 1979
Single-family	\$2,213	\$16,186	\$20,433	\$32,543	\$26,638	\$36,555
Multi-family	2,139	472	7,302	3,926	5,564	5,001
Other residential	1,177	1,511	1,700	2,313	1,641	1,069
Residential Totals	\$5,529	\$18,169	\$29,435	\$38,782	\$33,843	\$42,625
Commercial	\$ 857	\$ 1,479	\$ 789	\$ 8,232	\$ 4,872	\$ 2,916
Industrial	421	329	573	1,581	2,436	349
Other commercial and industrial	1,846	1,776	2,413	5,681	3,750	5,277
Commercial and Industrial Totals	\$3,124	\$ 3,584	\$ 3,775	\$15,494	\$11,058	\$ 8,542
Total Valuations	\$8,653	\$21,753	\$33,210	\$54,276	\$44,901	\$51,167
Number of Dwelling Units						
Single-family	63	445	469	781	554	503
Multi-family	96	28	446	186	186	158
Total Dwelling Units	159	473	915	967	740	661

Source: Security Pacific Bank, "California Construction Trends."



**TABLE 14**  
**VENTURA COUNTY**  
**BUILDING PERMIT VALUATIONS**  
(Dollars in Thousands)

	1974	1975	1976	1977	1978	Through July 1979
Single-family	\$ 58,514	\$144,719	\$262,706	\$313,704	\$295,672	\$187,549
Multi-family	17,093	27,286	56,885	44,292	85,505	27,060
Other residential	6,151	7,412	9,109	12,779	13,793	9,781
Residential Totals	\$ 81,758	\$179,417	\$328,700	\$370,775	\$394,970	\$224,390
Commercial	\$ 14,277	\$ 18,338	\$ 29,639	\$ 57,214	\$ 51,540	\$ 28,015
Industrial	13,239	7,810	5,858	22,637	33,038	12,889
Other commercial and industrial	16,403	19,564	25,262	54,018	38,868	31,044
Commercial and Industrial Totals	\$ 43,919	\$ 45,712	\$ 60,759	\$133,869	\$123,446	\$ 71,948
Total Valuations	\$125,677	\$225,129	\$389,459	\$504,644	\$518,416	\$296,338
Number of Dwelling Units						
Single-family	1,808	3,608	6,021	6,745	5,378	2,685
Multi-family	888	1,291	2,515	1,763	2,837	763
Total Dwelling Units	2,696	4,899	8,536	8,508	8,215	3,448

Source: Security Pacific Bank, "California Construction Trends."

## Employment

Table 15 presents a list of the larger manufacturing and non-manufacturing employers in the Rancho Simi Recreation and Park District. A 1975 special census conducted by the California State Department of Finance found that a majority of Simi Valley residents commute to jobs in Los Angeles County (primarily to the San Fernando Valley). At the present time, the commute between the Simi Valley and the San Fernando Valley ranges between 20 and 45 minutes while the commute to downtown Los Angeles averages about an hour and fifteen minutes. A five-mile gap in the Simi Valley-San Fernando Valley Freeway is now under construction with a projected completion date of 1982 whereupon it is anticipated that traveling time to Los Angeles from Simi Valley will be shortened and the commute between the City of Simi Valley and such cities as Van Nuys, Burbank and Glendale will also be reduced.

Ventura County has been designated the Oxnard-Simi Valley-Ventura Standard Metropolitan Statistical Area (S.M.S.A.). Table 16 shows annual employment averages by industry in the Oxnard-Simi Valley-Ventura S.M.S.A. for the last five years. Total employment during 1978 reached 151,300. State and local government accounted for 24.3% of total wage and salary employment, with trade following closely at 21.4% of the total. Service industries employed 16.8% of those working, while manufacturing accounted for 13.7% of total employment.

Adjacent to the District, in Canoga Park, are two divisions of Rockwell International Corporation which offer employment opportunities to District residents. The Rocketdyne Division employs approximately 2,000 people and is involved in testing rocket engines. The bulk of its employees are located at the Canoga Park Facility. Approximately 500 are located at the Santa Susana Mountains field laboratory which is about ten miles

southeast of the City of Simi Valley but within the District's boundaries. Approximately 200 employees work at locations in Newbury Park and Thousand Oaks, about 20 miles southwest and 11 miles south of the city, respectively. The second Rockwell Division, Energy Systems Group, employs approximately 2,165 people at three facilities located in Canoga Park, Newbury Park, and the Santa Susana Mountains. The Rockwell Energy Systems Group is involved primarily in research and development programs in the energy and environmental fields.

**TABLE 15**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**MAJOR EMPLOYERS**

<i>Name</i>	<i>Type of Business</i>	<i>Number of Employees</i>
<b>NON-MANUFACTURING EMPLOYERS</b>		
Simi Valley Unified School District	Education	1,930
Pacific Telephone Company	Communications	350
Simi Valley Adventist Hospital	Health services	325
City of Simi Valley	City government	287
Gemco	Department store	200
Simi Valley Doctors Hospital	Health services	150
Mervyn's	Department store	130
<b>MANUFACTURING EMPLOYERS</b>		
Travelin' West Textiles, Inc.	Dyeing and finishing polyester thread	75
Scepter Manufacturing of California	Manufacturers of plastic carrying cases	65
Indice Sportswear	Sewing contractors and manufacturers	50
Scribner's Electronics	Manufacturers of printed circuit boards	35

Source: Telephone survey conducted by Loeb Rhoades Shearson in June, 1979.

**TABLE 16**  
**OXNARD-SIMI VALLEY-VENTURA METROPOLITAN AREA**  
**EMPLOYMENT BY INDUSTRY, ANNUAL AVERAGES, 1974-1978\***

	1974	1975	1976	1977	1978
Mining	1,800	2,000	2,100	2,200	2,300
Construction	4,300	4,100	4,600	5,700	6,900
Manufacturing	17,000	16,600	17,700	19,700	20,700
Transportation, communications, and utilities	4,400	4,300	4,500	5,200	5,900
Wholesale and retail trade	25,600	26,900	27,500	29,100	32,400
Finance, insurance, and real estate	4,000	4,000	4,500	5,000	5,800
Services	18,600	19,400	20,000	21,800	25,400
Government	34,300	35,900	35,600	36,700	36,700
Agriculture†	14,000	14,100	14,800	15,300	15,200
Total	124,000	127,300	131,300	140,700	151,300
<b>UNEMPLOYMENT RATE</b>					
Ventura County	7.7%	9.2%	9.2%	8.0%	8.1%
Los Angeles County	6.8	9.7	8.8	8.0	6.8
California	7.3	9.9	9.2	8.2	7.1

\* By place of employment.

† Excludes farmers and unpaid family workers.

Source: California Employment Development Department.



## **Transportation**

The District is served by the Southern California freeway network. The Simi Valley-San Fernando Valley Freeway (State Highway 118), which provides access to the San Fernando Valley, traverses the city. State Route 23 provides a connection to U.S. 101 and Interstate 5, and runs easterly connecting with Interstate 405 and 210. U.S. Highway 101 runs through the southern portion of Ventura County linking the county's major cities to the Los Angeles metropolitan area. Pacific Coast Highway 1 follows the coastline from Oxnard to Los Angeles, while State Highway 33 begins near Ventura, passes through Los Padres National Forest in the northwestern portion of the county, and continues on to San Bernardino.

The Hollywood-Burbank Airport is about 35 miles southwest of the City of Simi Valley.

The Ventura County Airport is located at Oxnard, about 30 miles west of the City of Simi Valley; the Van Nuys Airport is 20 miles to the east. Los Angeles International Airport is 45 miles southeast of the city. The Simi Valley is served by a number of trucking companies while Southern Pacific Railroad offers rail freight service. The City of Simi Valley operates its own local bus service. About 30 miles to the west of the city is Port Hueneme, a deep water port with bulk loading facilities.

## **Utilities**

Electricity is provided to the City of Simi Valley and the District by Southern California Edison Company; natural gas is supplied by Southern California Gas Company. Water is provided by Southern California Water Company and Ventura County Waterworks District No. 8 which obtains its supplies from Calleguas Municipal Water Department, a member agency of Metropolitan Water District of Southern California. Telephone service is supplied by Pacific Telephone Company. Simi Valley County Sanitation District provides sewerage service in most of the populated areas of the District. Sewer lines are being extended to city areas still served by septic tanks.

## **Community Services**

Ninety percent of the District is within the Simi Valley Unified School District whose operation of 23 elementary, four junior high, and two high schools accommodated 23,000 students during the 1978/79 academic year. The remaining 10% of the District lies within the Oak Park Unified School District.

Ventura County Community College operates Moorpark College in Moorpark, about eight miles west of the District, offering a two-year program leading to either terminal degrees in technical fields or entrance to four-year college at the third-year level.

Two theaters, 21 parks (with ten tennis courts and three swimming pools), and a nine-hole golf course are among the recreation facilities available in the District. The District is served by a branch library of the Ventura County Library Services Agency.

Two newspapers, the Enterprise and the Mirror, are published in the District while the Los Angeles Times and other newspapers are available to District residents.

Two hospitals serve the District. Simi Valley Adventist Hospital has a licensed bed capacity of 149. Simi Valley Doctors Hospital has a present licensed bed capacity of 46. However, expansion of the hospital, which is underway with an anticipated completion date of mid-1980, will bring total bed capacity to 80. Police protection is furnished by the Simi Valley Police Department while fire protection services are provided by the Ventura County Fire Department.

## **Recreation**

In addition to recreation facilities provided by the Rancho Simi Recreation and Park District, diverse recreational opportunities including camping, fishing, hiking, picnicking, hunting and skiing are available to residents of Simi Valley outside the District boundaries. Los Padres National Forest and the Lake Casitas Recreation Area are located about 45 miles from the District.





**APPENDIX A**

**RANCHO SIMI RECREATION AND PARK DISTRICT  
SIMI VALLEY, CALIFORNIA**

**GOLF COURSE FEASIBILITY STUDY**

October, 1979





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## SIMI HILLS GOLF COURSE

### Introduction

A feasibility study of the golf course proposed for Simi Hills was completed in November, 1977 by the William Sherman Company for the Rancho Simi Recreation and Park District. The golf course site was owned by Pacific Coast Properties, Inc. (PCPI), Simi Valley, California. PCPI deeded 153.0 acres of its land to the District on October 28, 1977, for the purpose of developing an open-to-the-public 18-hole golf course on the deeded land.

The District formed the Rancho Simi Recreation and Park District Public Facilities Corporation, a non-profit corporation, for the purpose of financing the project. After the non-profit corporation had been formed and the District had solicited public bids for construction of the golf course, PCPI decided to sell its development land to Mayer Construction, Inc., of Downey, California. The development land contains permits for 917 housing units of various size and classification that are adjacent to the golf course property.

The District subsequently amended its construction bids for development of the golf course and its related improvements and recently completed the bid process. The successful bidder is C. A. Rasmussen, Inc., of Simi Valley, California.

The amount of the construction is \$2,564,200. The District has obtained \$505,000 from the City of Simi Valley, plus \$400,000 from available revenues, to combine with \$2,250,000 in revenue bonds that are to be issued by the Rancho Simi Recreation and Park District Public Facilities Corporation. For purposes of project financial feasibility, the District has directed the William Sherman Company to prepare its feasibility analysis based on this capital sum.



As a part of this assignment, the Consultants have evaluated the physical features of the site, measured its market potential, solicited management proposals, prepared a projected income and expense statement for the first five operative years and an accompanying cash flow analysis to determine what amount of funds may be available for payment of capital debt service.

The Consultants have coordinated their efforts with those of Jerry Gladden, General Manager and Don Hunt, Assistant General Manager-Administration and Park Services, Rancho Simi Recreation and Park District, with Loeb Rhoades Shearson, municipal financial consultants, and bond counsel Orrick, Herrington, Rowley & Sutcliffe.





## DEFINITION OF TERMS:

This report contains references to private, semi-private and municipal golf courses. A brief definition of each of these types follows:

Private Golf Club (Priv.) - A limited use facility designed for the desires of a restricted membership. The membership may own a proprietary interest or the ownership may be vested in private enterprise that leases, rents or otherwise makes the course available to the members.

Semi-Private Golf Course (S.P) - A course that is open to public fee-play in varying degrees, as prescribed by management. Its primary purpose is to operate a successful business venture. The operating policy is geared to return the best net profit to the proprietors. Semi-private courses may or may not have member privileges, but in all instances these courses rely on fee-paying patronage. This category includes all fee courses.

Municipal Golf Course (Mun.) - A course usually constructed and administered by a tax-supported agency such as a City, County or Park District. Its primary goal is to provide a recreation facility for the greatest number of citizens at the most reasonable cost to the taxpayers.

The report also mentions regulation courses, short courses and 3-par courses. These terms apply generally to the length of the golf courses and to their par. A brief description of other key terms follows:

Par - is the score that is anticipated from an expert golfer on a given hole. Par means errorless play under ordinary playing and weather conditions, allowing two strokes on the putting green. Par is based on



yardage recommended by the U.S. Golf Association.

<u>Par</u>	<u>Men</u>	<u>Women</u>
3	250 yards or less	210 yards or less
4	251 yards to 470 yards	211 yards to 400 yards
5	471 yards and over	401 yards to 575 yards
6	-	576 yards and over

Regulation Course - one whose par ranges from 66 to 72 and whose yardage is more than 5200 yards.

Executive Golf Course - one whose par measures from 58 to 66 and whose yardage measures from 400 to 5200 yards.

Short Golf Course - (may be par 3) - one whose par measures from 54 to 58 and includes all golf courses under 4000 yards.

Golf Course Ratings - is established by a local golf association. A rating is a numerical expression of strokes and fraction decimals of strokes. The purpose of a course rating is to evaluate the playing difficulty of a given golf course, with other rated courses, so that an equitable basis may be established for computing handicaps.

Round - applies to one starting time for one player, who may sign for a 9 hole round or an 18 hole round. A round may be registered for any category of fee classification. It is the basic unit of measuring course frequency of play.





## SITE DATA

### Location

The proposed Simi Hills golf course will be situated in the Simi Valley, 40 miles northwest of Los Angeles, in southeast Ventura County, adjacent to the western perimeter of the San Fernando Valley. The Valley covers an area of 23 square miles and ranges from 700 to 1000 feet above sea level. (Note Figure 1.)

The site is readily accessible to all portions of the greater Simi Valley and the major population centers in western and central San Fernando Valley. The Simi Valley/San Fernando Valley Freeway (Route 118) extends to the western boundary of the San Fernando Valley and is due to be completed in 1982. At that time, an even broader market will become established as Route 118 becomes a direct link to I-405 (San Diego Freeway) and I-5 (Golden State Freeway). Both Inter-State freeways are major arteries to metropolitan Los Angeles.

Prospective patrons from Thousand Oaks and the Conejo Valley will take State Highway 23 (Moorpark Freeway) which has an exit at either Olsen Road or Tierra Rejada, from the west edge of the market. These roads intersect with First Street which connects with the Simi Valley/San Fernando Valley Freeway. When the north extension of the Moorpark Freeway is completed, there will be direct freeway access to Fillmore and Santa Paula.

### Access

The site lies north of Alamo Street and east of Texas Avenue. Stearns Street and Yosemite Avenue each have entrances and exits from the Freeway. The Stearns Street entrance and exit is approximately one-quarter mile south of the site. Present plans indicate that Stearns Street and Yosemite Avenue will be extended into the development project to service housing.



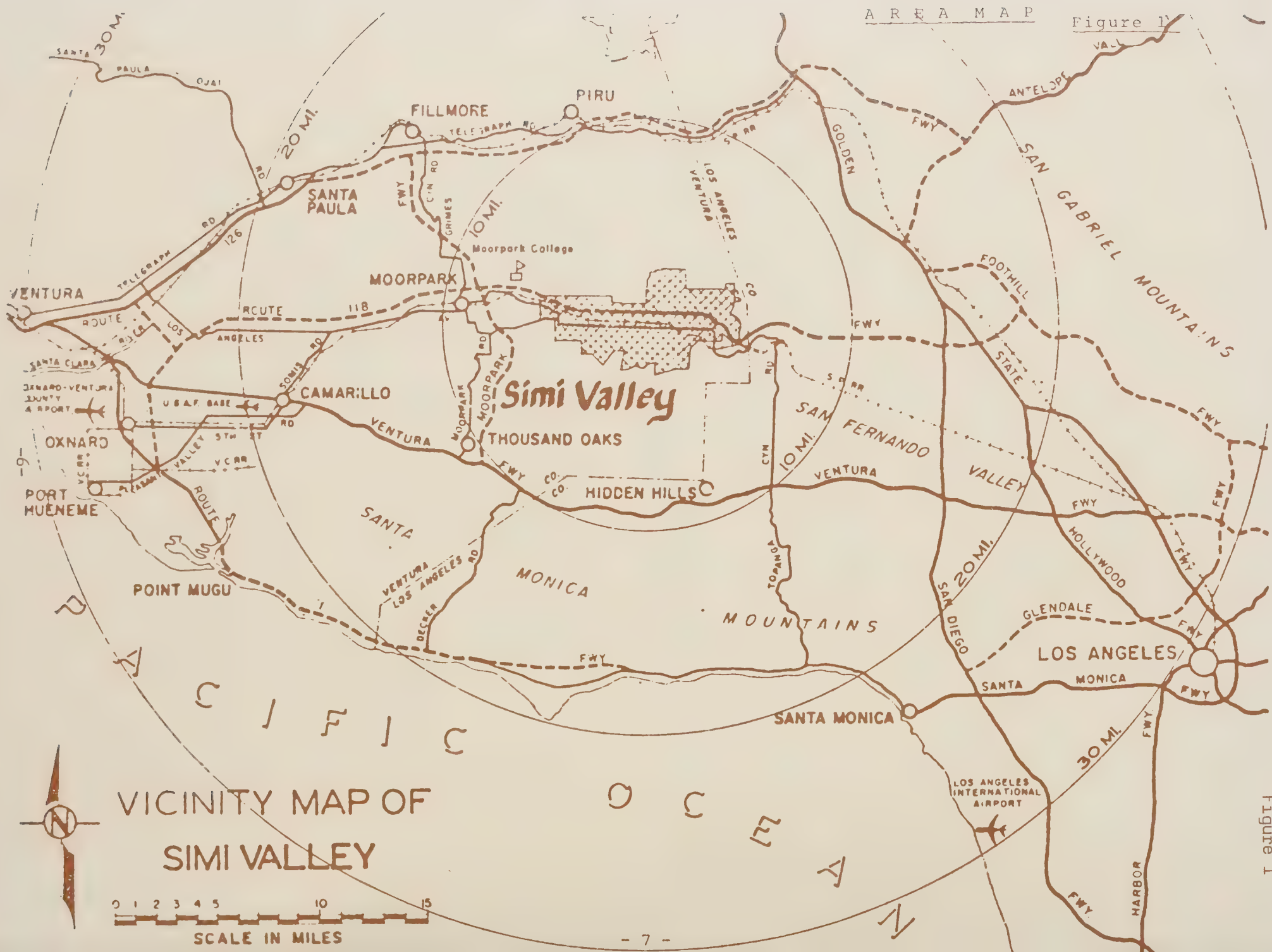
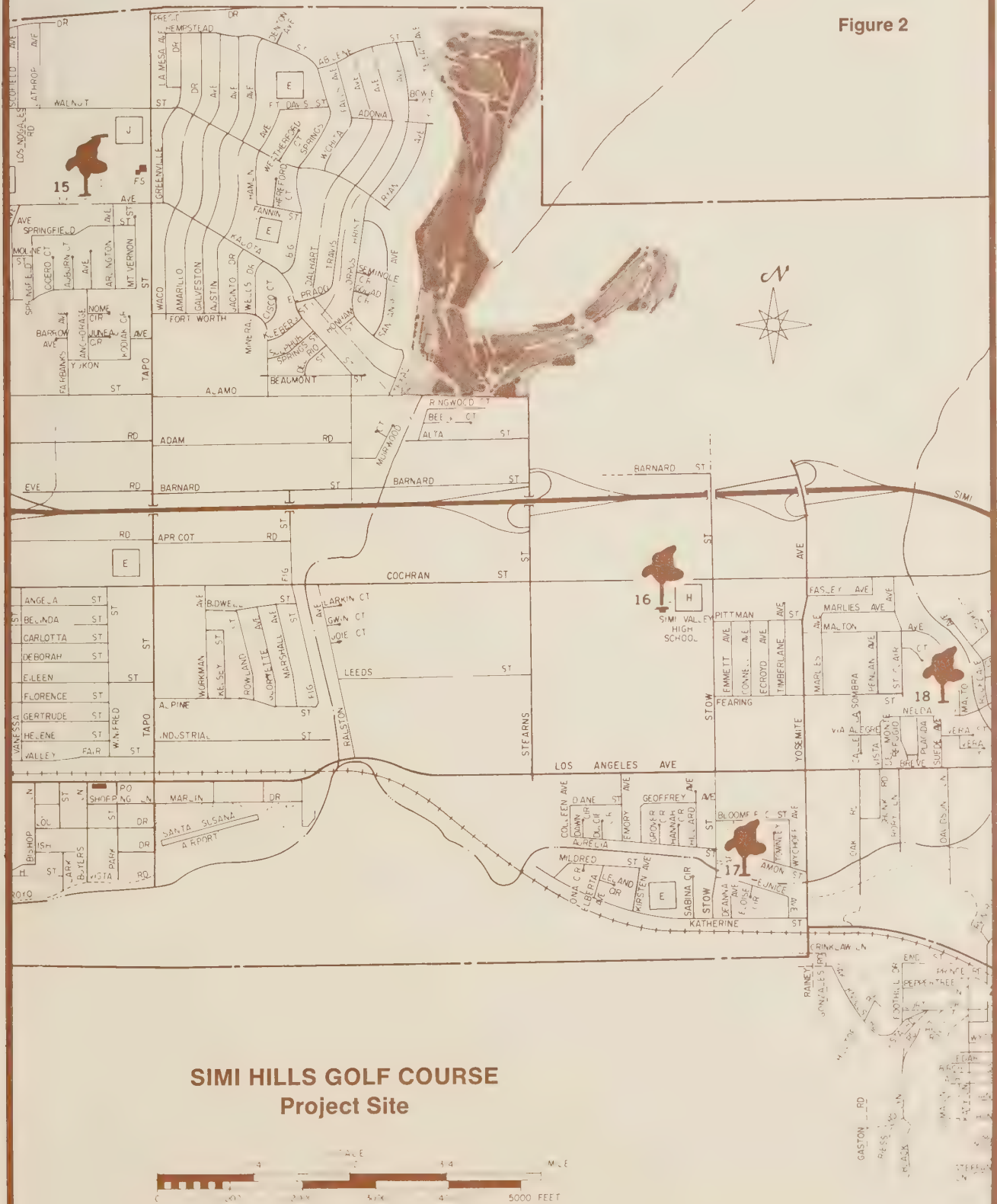


Figure 1



Figure 2



# SIMI HILLS GOLF COURSE Project Site



### Utilities

All utilities are readily available at the site perimeter.

### Water

The City of Simi Valley is served by the Ventura County Water District #8. Water lines now run to the junction of Alamo and Stearns Streets, at which point entry would be made into the subject property. On July 1, 1977, the City of Simi Valley took over control and supervision of the municipal water system.

Another potential source of irrigation water is effluent waters from the Simi Valley Water Treatment Plant. The treatment plant is located about eight miles west of the golf course site. If effluent water is used, the golf course would be assured of a permanent supply of water at relatively low annual expense. The cost of developing a line may be amortized with a long term water service contract.

Well water at the site may be developed for golf course irrigation purposes. A geologic and soils study prepared by Robert Stone and Associates, Inc., indicates ground water may be found 20 to 40 feet in depth. To have adequate water for golf course irrigation, however, the ground depth of a well should be at least 100 feet.

The City of Simi Valley will supply all potable water for the golf course and the accompanying subdivision development.

### Natural Gas and Electric Power

Natural gas and electric power are provided by the Southern California Gas Company and the Southern California Edison Company. Gas and electric lines are currently located in the same area as the water lines. Easements for entry to the property are from Texas Street on the western side of the subject property.





### Sewers

The supplier of sewer services is the Simi Valley County Sanitation District. A \$14 million expansion project brought trunk and collector lines to previously unsewered areas. The new system is designed to ultimately serve a population of 200,000 persons. Capacity of the treatment plant is 7.0 million gallons per day.

### Telephone

Service is provided by Pacific Telephone and Telegraph which has abundant service lines at the perimeter of the subject property.

### Topography

The golf course property consists of low rolling hills with modest elevations covered with native grasses and brush. The proposed site contains gently rolling terrain that is well adapted to golf course use.

Gradients in the area are generally not severe, but do reach a level of 2 to 1. The eastern portion has several steep bluffs, but these do not affect the golf course. Elevations in the golf course range from 1175 feet to 1300 feet above sea level.

The Robert Stone study reported that the property has a soft valley alluvium which is spread over a layer of bedded sedimentary rock. The rock is relatively easy to excavate, except for some hard sandstone beds. Artificial fill is available, especially along dirt roads, in the dams, and in adjacent freeway embankments.

No earthquake faults were found on the property. No springs or seepage were reported.



## MARKET ANALYSIS

### Introduction

The first step in determining project feasibility of any golf course is to identify the market for golfers.

There are certain factors that help shape and define this market. One of these that will be discussed is the location of the golf course and its access. Another major topic to be investigated is the population available to support the project, both existing and projected. To help determine what population should be considered, the report first analyzes what planning guidelines are available.

Once the shape and size of the market is identified, another consideration in determining project feasibility is the number and character of competitive golf courses within the market. This inventory of competitive golf courses is usually related to population and expressed in terms of golf course/population ratios.

Other indicators that assess economic stability of the Simi Valley area are the number and character of available jobs, the number of single and multi-family residential units and the prevailing median family income.

At the conclusion of this section, the report will have identified the market for prospective golfers and have evaluated the level of support that may be anticipated.



## Golf Course Community Guidelines

Before establishing the market for golfers, a short review of market planning criteria is presented. A source of information for such guidelines is the National Golf Foundation (NGF).

NGF is a non-profit organization sponsored by leading manufacturers of golf playing and golf course construction equipment, golf course maintenance supplies and related golf merchandise. It is a statistical source of information for the golf industry. As such, it has compiled records relative to the number of golfers, number of golf courses, number of dollars spent in development, operation and maintenance along with much additional data.

In addition to its activity of compiling statistics, NGF has maintained a working liaison with federal, regional, state, county and municipal agencies throughout the United States, primarily working with planners and park and recreation officials. From these associations, NGF has established a series of community planning guidelines for golf course development which have been endorsed by such public agencies as the American Institute of Park Executives, American Associations of Health Physical Education and Recreation, Urban Land Institute and the Pacific Planning Commission, among many others.

From its base of statistical data and from planning input provided by various public agency officials, NGF has set a standard of one 18-hole public golf course per 50,000 population. (For purpose of reference, 9-hole courses are counted as a half unit.)

Still another planning standard adopted by NGF is a determination of what would be a reasonable driving time for a golfer to patronize a golf course under peak play conditions.





The peak play period for any public golf course in an urban setting is Saturdays, Sundays and Holidays. This is the time when most of the population is not working. The entire week-end is available for relaxation and recreation.

The starting times that are most in demand in these settings are those beginning with dawn and usually extending to 11:00 A.M.. (Because of this high demand, most golf courses charge premium rates for Saturday, Sunday and Holiday play.)

NGF research has indicated that most golfers are willing to drive up to 30 minutes during this peak period to play a public course of their choosing. Using this 30 minute driving time as base for establishing golf course appeal, there are usually some local adjustments to be made, depending upon the number of golf courses in a given area and corresponding access thereto.

In the Rancho Simi market, the 30-minute driving time factor is appropriate because of the lack of public golf courses in the western region of the San Fernando Valley and the off-freeway location of most golf courses.

In addition to NGF research, the definition of driving times as a basis for golf course patronage has been supported by player use surveys taken in San Francisco, Los Angeles, Sacramento and San Bernardino. Field observations also support this planning guideline as a reasonable standard.



### Definition of Market

Two significant indicators of golf course feasibility, therefore, are the number of people available to play the golf course and the amount of time that it takes prospective golfers to drive to the golf course site. The effect of these factors will cause the shape of this golf course be measured by the service area that extends outward from the site to a radius of 30 minutes driving time from the patron's point of departure.

Because the market is measured by driving time, rather than by miles, the shape of the market becomes as irregular as the highways, arterials and access roads that serve it.

### Market Area

The basic market for golfers at Simi Hills is located in the Simi Valley, portions of the San Fernando Valley and the community of Thousand Oaks. Saturday, Sunday and Holiday play on the course will extend to a wider range of population expanding to include greater Ventura County.

### Population

The mainstream of play may be expected to come from residents in those communities identified in Table 1. The base population of this market area amounted to 877,694 in 1970. In 1979, the estimated population is 1,167,720. By 1981, when the course opens for play, it is estimated that the area population will be 1,260,000.

Steady increases are anticipated through 1985. The 15 year span projects a growth of more than one-half million population. This growth rate, measured from the base year of 1970, shows an overall rate of 57% or 3.8% per year. This compares with the present 1.0% rate of growth per year for the State of California.



TABLE 1

MARKET AREA POPULATIONGROWTH AND PROJECTIONS, 1970-1985

<u>Area</u>	<u>1970</u>	<u>1979</u>	<u>1985</u>	<u>Annual Rate of Growth</u>
Simi Valley	59,832	89,950	107,992	5.4%
Thousand Oaks (Conejo Valley)	35,873	106,200	133,800	18.2%
West S.F. Valley	196,000	258,780	310,000	3.9%
Central S.F. Valley	399,000	466,570	535,500	2.2%
Camarillo	19,219	29,570	39,042	6.9%
Oxnard-Pt. Hueneme	85,520	121,180	153,680	5.3%
Ventura	57,964	68,740	79,317	2.5%
Santa Paula	18,001	17,830	18,717	0.3%
Fillmore	<u>6,285</u>	<u>8,900</u>	<u>11,195</u>	<u>5.2%</u>
TOTAL	<u>877,964</u>	<u>1,167,720</u>	<u>1,379,243</u>	<u>3.8%</u>

Source: Los Angeles County Planning Department  
 Ventura County Planning Department  
 William Sherman Company





### Other Factors

It should also be noted that all other economic indicators are favorable for development of the project. For example, in the five year span from 1974-78, the total number of jobs in the market area increased from 124,000 to 151,200. This equals an increase of 5% per year over the base year.

Another example of growth is the rapid increase of building permit valuations. In 1975, the total valuation of building permits amounts to \$225,129,000. In 1978, total valuation was \$518,416,000, an increase of 131%.

Housing starts have also been impressive. From 1975 to 1978, there were 30,158 new dwelling units built in Ventura County, averaging 7,540 new units per year. This figure compares favorably with any other county in the State.

The Estimated Buying Income (EBI) of families residing in Simi Valley amounted to \$19,398 in 1978. This compares with the State of California average of \$17,186 in the same year.

### Golf Course Population Ratios

The guideline for community planning of golf courses, as established by the National Golf Foundation and identified earlier in this report, suggests that there be one 18-hole golf course per 50,000 population. For guideline purposes, there is no differentiation concerning the length. A regulation, executive, or short course is considered the same, provided that the course is open-to-the-public.

The proposed Simi Hills golf course is situated in a market area whose 1981 population (when the course opens for play) is projected to be approximately 1,260,000. Within this market, there are 15 various public golf courses of various length and character. After adjusting for 9-hole units,



the net yield of 18-hole golf courses is 14.

Instead of the NGF standard ratio of 1 to 50,000, the market shows a golf course population ratio of 1 to 90,000.

Applying the norm of 1 to 50,000, there should be 25 plus 18-hole public golf courses available to this market, rather than the 14 existing. There is a shortage of 11 18-hole public golf courses in this market area. It becomes quite evident that demand will not be able to match capacity.

The Rancho Simi Recreation and Park District presently operates Sinaloa Golf Course. This is a short par-3 golf course located at the southwest edge of the City of Simi Valley. Its size, shape of facilities and method of management is quite limited. This course is not considered to be competitive with the golf course proposed for Simi Hills.

The closest comparable municipal golf course is Los Robles, located 10 miles away in the community of Thousand Oaks. This is an 18-hole municipal golf course that was purchased in 1975 by the City of Thousand Oaks from the Janss Corporation for \$2,800,000. The complex includes an 18-hole regulation golf course and a large clubhouse which includes a commercial restaurant.

The lower level of the clubhouse has a spacious golf shop, locker rooms, cart storage area and a food and beverage service that is limited to golfers.

Gross Income from green fees and cart fees at Los Robles golf course in 1978-79 exceeded \$500,000. There were over 82,000 rounds of play recorded on the golf course.

Los Robles is managed by Angelo Ruggiero, a Class A PGA Golf Professional, who served under the Janss Corporation as its general manager. Since the



City of Thousand Oaks has purchased the course, Ruggiero has taken over complete management of the facility including responsibility for golf course maintenance in addition to golf course management.

Annual debt service amounts to over \$240,000 per year, a figure that has been easily secured from surplus golf course revenues earned since its purchase in 1975.

Table 2 on the following page shows the number, size and classifications of public golf courses in the competitive market as well as the existing ratio of public golf courses with present population.

#### Conclusion

The existing shortage of golf courses, the high player frequency noted at Los Robles and all courses in the San Fernando Valley, together with the dynamic growth recorded in Simi Valley, indicates that the golf course will have an immediate response from a public which has the necessary income to support it.





TABLE 2

SIMI HILLS GOLF COURSEPUBLIC GOLF COURSES IN COMPETITIVE MARKETRegulation Golf Courses (18-hole length 5200 yards plus)

<u>Golf Course</u>	<u>Holes</u>	<u>Length</u>	<u>Par</u>	<u>Green Fees</u>	
				<u>Weekdays</u>	<u>Sat., Sun. &amp; Hol.</u>
<u>Municipal</u>					
Balboa	18	6340	70	\$5.00	\$6.00
Buena Ventura	18	5853	70	3.75	5.00
Encino	18	6885	72	5.00	6.00
Knollwood	18	6237	72	5.25	6.25
Los Olivas	18	6692	72	3.75	5.00
Los Robles	18	6388	70	5.50	8.50*
Woodley	18	6585	72	5.00	6.00

Semi-Private

Camarillo Springs	18	6300	71	5.00	7.50
Elkins Ranch	18	6500	71	5.50	9.50
Saticoy Public Links	9	3200	36	4.00	5.00

Executive Golf Courses (18-hole length from 4000 to 5200 yards)

Mountain View	18	4400	65	3.50	5.00
Westlake Village	18	5000	67	4.50	7.00

Short Golf Courses (18-hole length under 4000 yards)

Silver K	9	1205	27	1.50	2.50
Sinaloa	9	1140	27	2.00	2.50
Van Nuys	18	2181	54	2.50	3.50
" "	9	1691	30	2.00	3.00

Net number of 18-hole golf courses                      14  
 Estimated 1981 population                                      1,260,000

Public Golf Course/Population Ratio    1/90,000

Number of Golf Courses Required                      25

Projected Shortage 18-hole Public Golf Course, 1981 - 14

\*Scheduled for January 1, 1980, present rates are 50¢ less.



## GOLF COURSE DEVELOPMENT

Plans for the 18-hole golf course and clubhouse have been carefully reviewed over the past 18 months. The route plans and specifications prepared by Golf Course Architect Ted Robinson will ensure the District that its golf course will be of top caliber. Mr. Robinson is a recognized and well respected architect who has designed many outstanding golf courses throughout the western United States.

The final construction bid was awarded to C. A. Rasmussen, Inc., of Simi Valley. The contract price is \$2,564,200. The various components of this construction bid are set forth below according to pertinent job category.

<u>Construction Bid Contract</u>	<u>Schedule 1</u>
1. Site grading, paving, concrete, rockwork and related items	\$775,000
2. Utility lines, storm drains, etc.	198,400
3. Irrigation and related items	510,000
4. Finish grading and landscaping	565,000
5. Lake construction	110,000
6. Site electrical work and equipment	65,000
7. Fencing	50,000
8. Maintenance building	52,800
9. Golf shop building (2400 square feet)	112,000
10. Golf cart storage structure	24,000
11. Miscellaneous items not included above	<u>102,000</u>
<u>TOTAL PROJECT COSTS</u>	<u>\$2,564,200</u>



## PROJECTED INCOME AND EXPENSE

### Introduction

The accompanying projections of golf course revenues and expenses are based on an operation wherein the Rancho Simi Recreation and Park District executes some form of management agreement or sub-lease of the premises. The objective of this analysis is to determine a realistic cash flow from operations that covers all legitimate maintenance and administrative operating expense.

Estimates of play, suggested fees and charges, and projections of income and expense, are detailed in Schedules 2 through 5. From this analysis, a net operating surplus has been determined which is the basis for determining project feasibility.

### Personal Property and Contracts

The capital budget does not provide for necessary golf course maintenance equipment nor electric golf carts. The District may elect to either purchase this equipment on a contract basis, lease the equipment with or without and option to purchase, or enter into a contract with an operator who will furnish the equipment.

Each of these methods have been successfully employed. For purposes of this analysis, it is assumed that the District will enter into an agreement with a contractor for maintenance of the golf course. The contractor will furnish all maintenance equipment, materials and other supplies. Not included in the maintenance contract will be the cost of water, which will be borne by the District.

Golf Carts may be either leased or purchased under contract. For purposes of this analysis, it is assumed that the District will purchase the carts over a five year term. (It is more practical for the District to own the carts rather than lease because the number of carts used justify the cost of personnel who have the capacity of servicing and repairing carts on-site.)





There will be 60 carts purchased at a cost of \$2,000 per cart. If the carts are financed over a five year term at 15%, the annual payment is \$38,500. This is the amount projected as shown in Schedule 4.

It is also assumed that the District will enter into a concession management with either the same operator who is providing the golf course maintenance contract or with a separate operator. This concession-management contract will specify that the operator is charged with full responsibility of operating and managing the course, including the collection and deposit of all revenues.

For purposes of this analysis, it is assumed that the base contract fee will be \$3500 per month. This fee will be used to offset certain expenses incurred by the contractor. In addition to this fee, the concession agreement will stipulate that the contractor will retain all income earned from golf shop sales. In addition, the concessionaire will earn a fee of 7.5% of gross operating income realized from green fees, cart fees, range fees and concession fees from the snack bar.

The snack bar is another alternative that may or may not be part of the concession management contract. Inasmuch as most snack bar operations are handled by separate concessionaires, it was thus assumed for this analysis. The snack bar operation, however, will be subject to the direction and control of the concession management contractor.

#### Projection Schedules

Recommended rates, as shown in Schedule 2, are commensurate with other public golf courses in the market area of equal stature. Suggested weekday green fees are \$6.00; suggested Saturday, Sunday and Holiday fees are \$9.00. Recommended golf cart fees are \$10.00, whether for weekday or Saturday, Sunday and Holiday play. No special or reduced tickets are provided or recommended.



Schedule 3 projects the number of rounds to be played over the first five years, along with estimated number of cart rounds and range patrons.

From 59,300 rounds in 1981-82, play is projected to increase to 73,380 players by 1985-86. The number of cart users will increase from 14,230 in the first year to 17,110 by the completion of the fifth year. Range patrons over the same period will increase from 14,000 to 18,670.

These are conservative estimates. It should be noted that Los Robles' play in 1978-79 exceeded 82,000 rounds. The number of cart fees and range patrons were also significantly higher.

Schedule 4 shows the various amount of expenses that may be anticipated under the contractual agreements outlined above. Schedule 5 combines projected income and expense over the first five years. Gross operating income increase from \$585,800 in the first operative year to \$792,270 by the end of the fifth operative year. Projected expenses increase from \$415,100 to \$530,400 over the first five operative years.

In the first operative year the net operating surplus is \$170,700. In the second year, net operating surplus is \$185,750, in the third operative year \$270,020, in the fourth operative year \$269,490 and in the fifth operative year \$261,870. It should be noted that operative years 4 and 5 show a slight decline in net operating surplus. This is attributed to the annual inflation of 8% that was projected into each operating contract. The projected rate of inflation is greater than the amount of projected increase in play in the fourth and fifth years, at which time it is estimated that there will be no increase in fees.

Recommendations are not implied or suggested in this analysis. It is understood, however, that the Rancho Simi Recreation and Park District does not intend to be the direct operator of the facility, but rather that it will contract for some form of contract management services to operate the premises.



SIMI HILLS GOLF COURSE\*

SCHEDULE OF FEES AND CHARGES

Green Fees:

Weekday	\$6.00
Twilite	3.50
Sat., Sun. & Hol.	\$9.00
Twilite	5.00

Driving Range:

Regular Basket	\$1.00
Large Basket	2.00

Golf Carts:

Weekday	\$10.00
Sat., Sun. & Hol.	10.00

Note: No special tickets are provided in this schedule.

\*Projected fees and charges at the proposed golf course  
at time of opening.





SCHEDULE 3SIMI HILLS GOLF COURSEPROJECTED PLAYFIRST FIVE YEARS

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>Rounds</u>					
Weekday	27,400	30,140	33,150	34,800	36,540
Twilite	<u>4,600</u>	<u>5,060</u>	<u>5,570</u>	<u>5,850</u>	<u>6,140</u>
Sub-Total	32,000	35,200	38,720	40,650	42,680
Sat., Sun. & Hol.	25,000	26,300	27,600	28,000	28,000
Twilite	<u>2,300</u>	<u>2,400</u>	<u>2,500</u>	<u>2,600</u>	<u>2,700</u>
Sub-Total	27,300	28,700	30,100	30,600	30,700
TOTAL ROUNDS	59,300	63,900	68,820	71,250	73,380
<u>Golf Carts</u>					
Weekday	5,480	6,030	6,630	6,960	7,310
Sat. Sun. & Hol.	<u>8,750</u>	<u>9,200</u>	<u>9,660</u>	<u>9,800</u>	<u>9,800</u>
TOTAL	14,230	15,230	16,290	16,760	17,110
<u>Driving Range</u>					
Large	8,000	8,800	9,680	10,160	10,670
Small	<u>6,000</u>	<u>6,600</u>	<u>7,260</u>	<u>7,620</u>	<u>8,000</u>
TOTAL	14,000	15,400	16,940	17,790	18,670



SCHEDULE 4

SIMI HILLS GOLF COURSE

PROJECTED EXPENSE - FIRST YEAR

1.	Golf Course Maintenance Contract*	\$225,000
2.	Golf Course Irrigation Water	40,000
3.	Golf Cart Operations Expense	28,400
4.	Golf Cart Purchase Expense	35,800
5.	Administrative Expenses	42,000
5.	Management Fees (7.5% of gross operating income)	<u>43,900</u>
	<u>TOTAL EXPENSES - FIRST OPERATIVE YEAR</u>	<u>\$415,100</u>

\*Maintenance contract includes equipment provided by contractor.



SIMI HILLS GOLF COURSE  
PROJECTED INCOME AND EXPENSE  
FIRST FIVE OPERATIVE YEARS

YEAR:

<u>Income</u>					
Green Fees - Weekday	\$180,500	\$198,550	\$237,600	\$249,600	\$262,070
" " - Sat., Sun. & Hol.	<u>236,500</u>	<u>248,700</u>	<u>291,000</u>	<u>295,600</u>	<u>296,200</u>
TOTAL GREEN FEES	\$147,000	\$447,250	\$528,760	\$545,200	\$558,270
Cart Fees	\$142,300	\$152,300	\$179,190	\$184,360	\$188,210
Range Fees	\$ 22,000	\$ 24,200	\$ 35,090	\$ 36,830	\$ 38,800
Snack Bar (5% of Gross)	<u>\$ 4,500</u>	<u>\$ 5,100</u>	<u>\$ 5,800</u>	<u>\$ 6,400</u>	<u>\$ 7,000</u>
TOTAL OPERATING INCOME	\$585,800	\$628,850	\$748,820	\$772,790	\$792,270
<u>Expense</u>					
Golf Course Maintenance	\$225,000	\$243,000	\$261,000	\$279,000	\$298,000
Irrigation Water	40,000	43,200	46,400	49,600	52,800
Golf Cart Operations	28,400	29,800	31,200	32,600	34,000
Golf Cart Purchase	35,800	35,800	35,800	35,800	35,800
Administrative	42,000	44,100	46,200	48,300	50,400
Management Fees (7.5%)	<u>43,900</u>	<u>47,200</u>	<u>56,200</u>	<u>58,000</u>	<u>59,400</u>
TOTAL EXPENSE	\$415,100	\$443,100	\$476,800	\$503,300	\$530,400
<u>NET OPERATING SURPLUS</u>	<u>\$170,700</u>	<u>\$185,750</u>	<u>\$272,020</u>	<u>\$269,490</u>	<u>\$261,870</u>





## CASH FLOW ANALYSIS

### Introduction

The cash flow analysis section of this report shows the relationship of the net operating income to the projected annual rent payment in each of the 30 years of the proposed payout schedule. The result of these two figures is expressed in the annual available surplus (or loss). In addition to these tabulations, this section of the report establishes the annual ratio of net operation income to the annual rent payment.

The schedule of annual rent payments has been prepared by Loeb Rhoades Shearson, the project financial consultants to the District.

### Annual Rent Payments

The financial consultants have programmed the first annual rent payment to be \$186,000. The actual procedure for paying rents requires the Rancho Simi Recreation and Park District to appropriate the annual rent payment semi-annually in advance. The first semi-annual rent payment of \$93,000 becomes due and payable July 1, 1981. At this time, the District will advance these funds to the public facilities corporation for payment to the bond holders. The District is obligated to appropriate another \$93,000 before January 1, 1982, at which time it will forward payment to the public facilities corporation for the second semi-annual payment. Repayment to the District from the enterprise fund operating the golf course will be made as determined by the District.

The second annual rent payment will also be \$186,000, increasing to \$201,000 for the third operative year. For the remaining 27 years of the contract, the projected annual rent payment will be \$206,000.

Projected net operating income to be earned from golf course operations in 1981-82 is estimated to be \$170,700. Based on the annual rent payment of



\$186,000, there is a resulting deficit of \$15,300. At the end of the second operative year, when the net operating surplus is \$185,750, the annual deficit is reduced to \$250. At the end of the fifth operating year, however, the small deficit incurred in the first two years has been reversed to a cumulative surplus of \$174,830.

For purposes of this financing program, modest increases of net operating income amounting to 5%, are projected for the five operative years beginning in 1986-87. Similar increase have been projected for five year terms beginning in 1991-92, 1996-97, 2001-02 and 2006-07. The five year span beginning in 1986-87 projects an average annual surplus of \$69,000. This figure increases to \$128,300 for the final five year beginning in 2001-02.

The rent surplus ratio which divides rent payments into projected net operating income, before offsets, becomes 1.33 beginning in 1986-87. The rent-surplus ratio increases to 1.62 in the final five years beginning in 2006-07.

Projections of net operating income, annual rent payments, available surplus (loss), and rent surplus ratios are shown graphically in Schedule 6.



SCHEDULE 6

SIMI HILLS GOLF COURSE

PROJECTED CASH FLOW

1981-82 through 2010-11

<u>Operating Year</u>	<u>Net Operating Surplus</u>	<u>Estimated Rent Payment</u>	<u>Available Surplus</u>	<u>Rent Surplus Ratio</u>
1981-82	\$170,700	\$186,000*	\$(15,300)	0.92
1982-83	185,750	186,000	( 250)	1.00
1983-84	272,020	201,000	71,020	1.35
1984-85	269,490	206,000	63,490	1.31
1985-86	261,870	206,000	55,870	1.27
1986-87	275,000	206,000	69,000	1.33
1987-88	275,000	206,000	69,000	1.33
1988-89	275,000	206,000	69,000	1.33
1989-90	275,000	206,000	69,000	1.33
1991-92	275,000	206,000	69,000	1.33
1991-92	288,800	206,000	82,800	1.40
1992-93	288,800	206,000	82,800	1.40
1993-94	288,800	206,000	82,800	1.40
1994-95	288,800	206,000	82,800	1.40
1995-96	288,800	206,000	82,800	1.40
1996-97	303,200	206,000	97,200	1.47
1997-98	303,200	206,000	97,200	1.47
1998-99	303,200	206,000	97,200	1.47
1999-00	303,200	206,000	97,200	1.47
2000-01	303,200	206,000	97,200	1.47
2001-02	318,400	206,000	112,400	1.55
2002-03	318,400	206,000	112,400	1.55
2003-04	318,400	206,000	112,400	1.55
2005-06	318,400	206,000	112,400	1.55
2006-07	334,300	206,000	128,300	1.62
2007-08	334,300	206,000	128,300	1.62
2008-09	334,300	206,000	128,300	1.62
2009-10	334,300	206,000	128,300	1.62
2010-11	334,300	206,000	128,300	1.62

\*Annual rent payments are based on a bond issue of \$2,250,000 over a term of 30 years with annual interest at 8.25%. The District appropriates the money in advance on a semi-annual payment basis.





### SUMMARY

BASED ON THE FINDINGS OF THE MARKET, THE CAPABILITIES OF THE SITE, THE PROPOSED PLANS AND SPECIFICATIONS OF THE GOLF COURSE AND THE ACCOMPANYING CASH FLOW ANALYSIS, IT IS THE CONSULTANT'S FIRM OPINION THAT THE PROJECT IS EXCEPTIONALLY PRACTICAL AND FINANCIALLY FEASIBLE.

###



OFFICIAL NOTICE OF SALE  
\$2,250,000  
RANCHO SIMI RECREATION AND PARK DISTRICT  
PUBLIC FACILITIES CORPORATION SERIES OF 1979 BONDS

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by a member of the Board of Directors of Rancho Simi Recreation and Park District Public Facilities Corporation (herein called the "Corporation") at the office of Orrick, Herrington, Rowley & Sutcliffe, Eleventh Floor, 600 Montgomery Street, San Francisco, California 94111, on

THURSDAY, NOVEMBER 8, 1979

at 10:00 o'clock A.M. for the purchase of \$2,250,000 principal amount of bonds of the Corporation designated "Rancho Simi Recreation and Park District Public Facilities Corporation Series of 1979 Bonds" (herein called the "bonds"), to be issued under an indenture, dated as of November 1, 1979 (herein called the "Indenture"), to be entered into between the Corporation and United California Bank, as trustee (herein called the "Trustee"). The bonds are generally described as follows:

**ISSUE:** \$2,250,000, consisting of 450 coupon bonds in the denomination of \$5,000 each (or fully registered bonds in denominations of \$5,000 or multiples thereof), all dated November 1, 1979, and comprising all of the bonds of said authorized issue. Additional bonds may be issued on a parity with the bonds on the terms and subject to the conditions set forth in the Indenture. It is not presently contemplated that the Corporation will issue any additional bonds.

**INTEREST RATE:** The maximum rate bid may not exceed nine and three-quarters per cent (9¾ %) per annum. Interest is payable on August 1, 1980 and semiannually thereafter on February 1 and August 1 of each year. Bidders must specify the rate or rates of interest which the bonds hereby offered for sale shall bear. Bidders will be permitted to bid different rates of interest; but (i) the maximum differential between the highest and lowest coupon rates specified in any bid shall not exceed two per cent (2%) per annum; (ii) each interest rate specified in any bid must be in a multiple of one-twentieth of one per cent (1/20 of 1%) per annum and a zero rate of interest cannot be specified; (iii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iv) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all bonds maturing at any one time shall bear the same rate of interest; (vi) any premium must be paid as part of the purchase price, and no bid will be accepted which contemplates the cancellation of any interest coupons or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price; and (vii) for the period beginning on February 1, 2002 and terminating on February 1, 2012, the interest rate specified for the bonds maturing in any year in such period shall not be less than any interest rate specified for any bonds maturing in any prior year in such period.

**MATURITIES:** The bonds will mature on February 1 in each of the years, and in the amounts, as follows:

Maturity Date	Principal Amount	Maturity Date	Principal Amount
February 1		February 1	
1984.....	\$ 15,000	1999.....	\$ 70,000
1985.....	20,000	2000.....	75,000
1986.....	25,000	2001.....	80,000
1987.....	25,000	2002.....	85,000
1988.....	30,000	2003.....	95,000
1989.....	30,000	2004.....	100,000
1990.....	35,000	2005.....	110,000
1991.....	35,000	2006.....	120,000
1992.....	40,000	2007.....	130,000
1993.....	40,000	2008.....	140,000
1994.....	45,000	2009.....	150,000
1995.....	50,000	2010.....	160,000
1996.....	55,000	2011.....	175,000
1997.....	60,000	2012.....	190,000
1998.....	65,000		

**REDEMPTION:** The Corporation shall have the right, under the circumstances prescribed in the Indenture, to redeem bonds from proceeds of insurance or proceeds of eminent domain proceedings, upon the terms and conditions set forth in the Indenture, at the principal amount thereof and accrued interest thereon to the date fixed for redemption. Bonds due on or before February 1, 1993 are not otherwise subject to redemption prior to their respective stated maturities. Bonds due on or after February 1, 1994 are also subject to redemption prior to their respective stated maturities, at the option of the Corporation, as a whole, or in part in inverse order of maturities and by lot within any one maturity if less than all of the bonds of such maturity be redeemed, from any source of available funds, on any interest payment date on or after February 1, 1993, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium of one-quarter of one per cent (¼ of 1%) of such principal amount for each whole year or fraction thereof remaining between the date fixed for redemption and their respective stated maturities, but not in excess of three per cent (3%) of such principal amount.

**PAYMENT:** Both principal and interest are payable in lawful money of the United States of America at the principal office of United California Bank in San Francisco, California, or, in the case of coupon bonds, at the option of the holder at the principal office of Bankers Trust Company in New York, New York, or at the office of Harris Trust and Savings Bank in Chicago, Illinois, or at the principal office of United California Bank in Los Angeles, California.

**REGISTRATION:** The bonds may be issued in coupon form or in fully registered form, and will be interchangeable upon the terms set forth in the Indenture.

**PURPOSE:** The bonds will be issued to finance the construction of a new public golf course for lease to the Rancho Simi Recreation and Park District (herein called the "District"), of Ventura County, California.

**SECURITY:** The bonds are to be secured by the Indenture, pursuant to which the Corporation will transfer to the Trustee the leasehold estate of the Corporation to be held by the Corporation under a lease entitled "Site Lease," to be entered into by the District and the Corporation, and all of the right, title and interest of the Corporation in a lease entitled "Facility Lease," to be entered into by the Corporation and the District. Rentals to be payable by the District under the Facility Lease shall constitute the primary source of funds of the Corporation for the payment of the bonds.

**TAX EXEMPT STATUS:** In the event that prior to the delivery of the bonds (a) the income received by private holders from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect upon holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the Corporation, be relieved of his obligation under the contract to purchase the bonds, and in such case the deposit accompanying his bid will be returned.

**LEGAL OPINION:** The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds will be furnished to the successful bidder without cost. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

## TERMS OF SALE

**AWARD—THE HIGHEST BIDDER:** The bonds will be awarded to the highest responsible bidder, considering the interest rate or rates specified and the premium offered, if any, or the discount specified, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from or by adding the amount of the discount specified (if any) to the total amount of interest which the Corporation would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Corporation thereby determined. The purchaser must pay accrued interest, computed on a 360-day year basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the Corporation.

**RIGHT OF REJECTION:** The Corporation reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

**PROMPT AWARD:** The Corporation will take action awarding the bonds or rejecting bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of bids, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

**DELIVERY AND PAYMENT:** Delivery of the bonds will be made to the successful bidder at the office of the Trustee in San Francisco, California, as soon as the bonds can be prepared. Payment for the bonds must be made in immediate San Francisco funds. Any expense of providing immediate San Francisco funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the purchaser.

**RIGHT OF CANCELLATION:** The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Corporation shall fail to execute the bonds and tender the same for delivery within seventy-five (75) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

**FORM OF BID, MAXIMUM DISCOUNT:** All bids must be for not less than all of the bonds hereby offered for sale and accrued interest to date of delivery, plus such premium or less such discount as is specified in the bid; provided that no discount may be specified in excess of \$50,000. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Corporation with the envelope and bid clearly marked "Proposal for Purchase of Rancho Simi Recreation and Park District Public Facilities Corporation Bonds. Series of 1979." Each bid must be in accordance with the terms and conditions set forth in this notice, and must be delivered at the place first above described prior to 10:00 o'clock A.M. on November 8, 1979.

**BID CHECK:** A certified or cashier's check drawn on a bank or trust company having an office in San Francisco, California, in an amount of \$45,000, payable to the order of the Corporation, must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for the bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price. The check shall be cashed and the amount thereof retained by the Corporation if after the award of the bonds the successful bidder fails to complete his purchase on the terms stated in his proposal. The check accompanying each unaccepted proposal will be returned promptly. No interest will be paid upon the deposit made by any bidder.

**STATEMENT OF NET INTEREST COST:** Each bidder is requested, but not required, to state in his bid the total net interest cost in dollars to the Corporation and the percentage net interest cost determined thereby, which shall be considered as informative only and not binding on either the bidder or the Corporation.

**NO LITIGATION:** There is no litigation pending concerning the validity of the bonds, the corporate existence of the Corporation or the entitlement of the officers thereof to their respective offices, and the Corporation will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

**SALE IN CALIFORNIA:** It is anticipated that the Division of Corporation Finance of the United States Securities and Exchange Commission will issue a "no-action" letter to the Corporation stating that the Division of Corporation Finance will not recommend any action to the Securities and Exchange Commission if the proposed bond offering is made without prior compliance with the registration requirements of the Securities Act of 1933 or qualification of the Indenture under which the bonds are to be issued under the Trust Indenture Act of 1939. The Commissioner of Corporations of the State of California has issued an interpretive opinion stating that the bonds are exempt from the qualification requirement of Section 25110 of the California Corporate Securities Law of 1968. The bonds are being offered and sold without registration under the Securities Act of 1933 or qualification of the Indenture under the Trust Indenture Act of 1939, and without qualification under the California Corporate Securities Law of 1968, in reliance upon the anticipated receipt of such "no-action" letter and such interpretive opinion.

**RESALE IN OTHER STATES:** The purchaser of the bonds will assume responsibility for taking any necessary action to qualify the bonds for offer and sale in jurisdictions other than California in which it is desired to offer the bonds for resale, and for complying with the laws of all jurisdictions on resale of the bonds, and shall indemnify and hold harmless the Corporation and its officers and directors from any loss or damage resulting from any failure to comply with any such law.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the bonds, but neither failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid by the Corporation; provided, however, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by said purchaser.

**OFFICIAL STATEMENT:** The Corporation has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to Loeb Rhoades Shearson, Division of Shearson Hayden Stone Inc., Forty-Seventh Floor, 600 Montgomery Street, San Francisco, California 94111, which firm is the financing consultant to the Corporation and the District for the bonds. The members of the Board of Directors of the Corporation have reviewed the official statement and determined that as of the date thereof, to the best of their knowledge and belief, the official statement did not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Corporation will deliver a certificate as to the above, dated the date of bond delivery, and further certifying that the signatories know of no material adverse change in the condition of the District (not in the ordinary course of operations of the District) which would make it unreasonable for the purchaser of the bonds to rely upon the official statement in connection with the resale of the bonds, and authorizing the purchaser of the bonds to distribute copies of the official statement in connection with the resale of the bonds. 200 copies of the official statement will be supplied to the purchaser of the bonds for this purpose at the expense of the Corporation.

Dated: October 16, 1979.

ROBERT LARKIN

*Secretary of Rancho Simi  
Recreation and Park District  
Public Facilities Corporation*



**OFFICIAL NOTICE OF SALE**  
**\$2,250,000**  
**RANCHO SIMI RECREATION AND PARK DISTRICT**  
**PUBLIC FACILITIES CORPORATION SERIES OF 1979 BONDS**

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by a member of the Board of Directors of Rancho Simi Recreation and Park District Public Facilities Corporation (herein called the "Corporation") at the office of Orrick, Herrington, Rowley & Sutcliffe, Eleventh Floor, 600 Montgomery Street, San Francisco, California 94111, on

**THURSDAY, NOVEMBER 8, 1979**

at 10:00 o'clock A.M. for the purchase of \$2,250,000 principal amount of bonds of the Corporation designated "Rancho Simi Recreation and Park District Public Facilities Corporation Series of 1979 Bonds" (herein called the "bonds"), to be issued under an indenture, dated as of November 1, 1979 (herein called the "Indenture"), to be entered into between the Corporation and United California Bank, as trustee (herein called the "Trustee"). The bonds are generally described as follows:

**ISSUE:** \$2,250,000, consisting of 450 coupon bonds in the denomination of \$5,000 each (or fully registered bonds in denominations of \$5,000 or multiples thereof), all dated November 1, 1979, and comprising all of the bonds of said authorized issue. Additional bonds may be issued on a parity with the bonds on the terms and subject to the conditions set forth in the Indenture. It is not presently contemplated that the Corporation will issue any additional bonds.

**INTEREST RATE:** The maximum rate bid may not exceed nine and three-quarters per cent (9¾ %) per annum. Interest is payable on August 1, 1980 and semiannually thereafter on February 1 and August 1 of each year. Bidders must specify the rate or rates of interest which the bonds hereby offered for sale shall bear. Bidders will be permitted to bid different rates of interest; but (i) the maximum differential between the highest and lowest coupon rates specified in any bid shall not exceed two per cent (2%) per annum; (ii) each interest rate specified in any bid must be in a multiple of one-twentieth of one per cent (1/20 of 1%) per annum and a zero rate of interest cannot be specified; (iii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iv) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all bonds maturing at any one time shall bear the same rate of interest; (vi) any premium must be paid as part of the purchase price, and no bid will be accepted which contemplates the cancellation of any interest coupons or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price; and (vii) for the period beginning on February 1, 2002 and terminating on February 1, 2012, the interest rate specified for the bonds maturing in any year in such period shall not be less than any interest rate specified for any bonds maturing in any prior year in such period.

**MATURITIES:** The bonds will mature on February 1 in each of the years, and in the amounts, as follows:

Maturity Date February 1	Principal Amount	Maturity Date February 1	Principal Amount
1984.....	\$ 15,000	1999.....	\$ 70,000
1985.....	20,000	2000.....	75,000
1986.....	25,000	2001.....	80,000
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1989.....	30,000	2004.....	100,000
1990.....	35,000	2005.....	110,000
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1992.....	40,000	2007.....	130,000
1993.....	40,000	2008.....	140,000
1994.....	45,000	2009.....	150,000
1995.....	50,000	2010.....	160,000
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1997.....	60,000	2012.....	190,000
1998.....	65,000		

**REDEMPTION:** The Corporation shall have the right, under the circumstances prescribed in the Indenture, to redeem bonds from proceeds of insurance or proceeds of eminent domain proceedings, upon the terms and conditions set forth in the Indenture, at the principal amount thereof and accrued interest thereon to the date fixed for redemption. Bonds due on or before February 1, 1993 are not otherwise subject to redemption prior to their respective stated maturities. Bonds due on or after February 1, 1994 are also subject to redemption prior to their respective stated maturities, at the option of the Corporation, as a whole, or in part in inverse order of maturities and by lot within any one maturity if less than all of the bonds of such maturity be redeemed, from any source of available funds, on any interest payment date on or after February 1, 1993, at the principal amount thereof and accrued interest thereon to the date fixed for redemption, plus a premium of one-quarter of one per cent (¼ of 1%) of such principal amount for each whole year or fraction thereof remaining between the date fixed for redemption and their respective stated maturities, but not in excess of three per cent (3%) of such principal amount.

**PAYMENT:** Both principal and interest are payable in lawful money of the United States of America at the principal office of United California Bank in San Francisco, California, or, in the case of coupon bonds, at the option of the holder at the principal office of Bankers Trust Company in New York, New York, or at the office of Harris Trust and Savings Bank in Chicago, Illinois, or at the principal office of United California Bank in Los Angeles, California.

**REGISTRATION:** The bonds may be issued in coupon form or in fully registered form, and will be interchangeable upon the terms set forth in the Indenture.

**PURPOSE:** The bonds will be issued to finance the construction of a new public golf course for lease to the Rancho Simi Recreation and Park District (herein called the "District"), of Ventura County, California.

**SECURITY:** The bonds are to be secured by the Indenture, pursuant to which the Corporation will transfer to the Trustee the leasehold estate of the Corporation to be held by the Corporation under a lease entitled "Site Lease," to be entered into by the District and the Corporation, and all of the right, title and interest of the Corporation in a lease entitled "Facility Lease," to be entered into by the Corporation and the District. Rentals to be payable by the District under the Facility Lease shall constitute the primary source of funds of the Corporation for the payment of the bonds.

**TAX EXEMPT STATUS:** In the event that prior to the delivery of the bonds (a) the income received by private holders from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect upon holders of the bonds as such, the successful bidder may, at his option, prior to the tender of the bonds by the Corporation, be relieved of his obligation under the contract to purchase the bonds, and in such case the deposit accompanying his bid will be returned.

**LEGAL OPINION:** The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds will be furnished to the successful bidder without cost. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

## TERMS OF SALE

**AWARD—THE HIGHEST BIDDER:** The bonds will be awarded to the highest responsible bidder, considering the interest rate or rates specified and the premium offered, if any, or the discount specified, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from or by adding the amount of the discount specified (if any) to the total amount of interest which the Corporation would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Corporation thereby determined. The purchaser must pay accrued interest, computed on a 360-day year basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the Corporation.

**RIGHT OF REJECTION:** The Corporation reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

**PROMPT AWARD:** The Corporation will take action awarding the bonds or rejecting bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of bids, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

**DELIVERY AND PAYMENT:** Delivery of the bonds will be made to the successful bidder at the office of the Trustee in San Francisco, California, as soon as the bonds can be prepared. Payment for the bonds must be made in immediate San Francisco funds. Any expense of providing immediate San Francisco funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the purchaser.

**RIGHT OF CANCELLATION:** The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Corporation shall fail to execute the bonds and tender the same for delivery within seventy-five (75) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

**FORM OF BID, MAXIMUM DISCOUNT:** All bids must be for not less than all of the bonds hereby offered for sale and accrued interest to date of delivery, plus such premium or less such discount as is specified in the bid; provided that no discount may be specified in excess of \$50,000. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Corporation with the envelope and bid clearly marked "Proposal for Purchase of Rancho Simi Recreation and Park District Public Facilities Corporation Bonds, Series of 1979." Each bid must be in accordance with the terms and conditions set forth in this notice, and must be delivered at the place first above described prior to 10:00 o'clock A.M. on November 8, 1979.

**BID CHECK:** A certified or cashier's check drawn on a bank or trust company having an office in San Francisco, California, in an amount of \$45,000, payable to the order of the Corporation, must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for the bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price. The check shall be cashed and the amount thereof retained by the Corporation if after the award of the bonds the successful bidder fails to complete his purchase on the terms stated in his proposal. The check accompanying each unaccepted proposal will be returned promptly. No interest will be paid upon the deposit made by any bidder.

**STATEMENT OF NET INTEREST COST:** Each bidder is requested, but not required, to state in his bid the total net interest cost in dollars to the Corporation and the percentage net interest cost determined thereby, which shall be considered as informative only and not binding on either the bidder or the Corporation.

**NO LITIGATION:** There is no litigation pending concerning the validity of the bonds, the corporate existence of the Corporation or the entitlement of the officers thereof to their respective offices, and the Corporation will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

**SALE IN CALIFORNIA:** It is anticipated that the Division of Corporation Finance of the United States Securities and Exchange Commission will issue a "no-action" letter to the Corporation stating that the Division of Corporation Finance will not recommend any action to the Securities and Exchange Commission if the proposed bond offering is made without prior compliance with the registration requirements of the Securities Act of 1933 or qualification of the Indenture under which the bonds are to be issued under the Trust Indenture Act of 1939. The Commissioner of Corporations of the State of California has issued an interpretive opinion stating that the bonds are exempt from the qualification requirement of Section 25110 of the California Corporate Securities Law of 1968. The bonds are being offered and sold without registration under the Securities Act of 1933 or qualification of the Indenture under the Trust Indenture Act of 1939, and without qualification under the California Corporate Securities Law of 1968, in reliance upon the anticipated receipt of such "no-action" letter and such interpretive opinion.

**RESALE IN OTHER STATES:** The purchaser of the bonds will assume responsibility for taking any necessary action to qualify the bonds for offer and sale in jurisdictions other than California in which it is desired to offer the bonds for resale, and for complying with the laws of all jurisdictions on resale of the bonds, and shall indemnify and hold harmless the Corporation and its officers and directors from any loss or damage resulting from any failure to comply with any such law.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the bonds, but neither failure to print such numbers on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid by the Corporation; provided, however, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by said purchaser.

**OFFICIAL STATEMENT:** The Corporation has prepared an official statement relating to the bonds, a copy of which will be furnished upon request to Loeb Rhoades Shearson, Division of Shearson Hayden Stone Inc., Forty-Seventh Floor, 600 Montgomery Street, San Francisco, California 94111, which firm is the financing consultant to the Corporation and the District for the bonds. The members of the Board of Directors of the Corporation have reviewed the official statement and determined that as of the date thereof, to the best of their knowledge and belief, the official statement did not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Corporation will deliver a certificate as to the above, dated the date of bond delivery, and further certifying that the signatories know of no material adverse change in the condition of the District (not in the ordinary course of operations of the District) which would make it unreasonable for the purchaser of the bonds to rely upon the official statement in connection with the resale of the bonds, and authorizing the purchaser of the bonds to distribute copies of the official statement in connection with the resale of the bonds. 200 copies of the official statement will be supplied to the purchaser of the bonds for this purpose at the expense of the Corporation.

Dated: October 16, 1979.

ROBERT LARKIN

*Secretary of Rancho Simi  
Recreation and Park District  
Public Facilities Corporation*



# BID FORM

Rancho Simi Recreation and Park District  
Public Facilities Corporation  
c/o Orrick, Herrington, Rowley & Sutcliffe  
11th Floor  
600 Montgomery Street  
San Francisco, CA 94111

October 16, 1979

Gentlemen:

Pursuant to the Official Notice of Sale (a copy of which is made part of this bid) we offer to purchase \$2,250,000 principal amount of the bonds designated as "Rancho Simi Recreation and Park District Public Facilities Corporation Lease Revenue Bonds, Series of 1979" for the aggregate sum, and at the interest rates (plus accrued interest from their date to the date of delivery) set forth below:

Principal Amount .....	\$2,250,000
Plus Premium .....	_____
Less Discount .....	_____
Purchase Price .....	\$ _____

Principal Amount	Maturing	Rate
\$15,000 .....	1984 .....	_____ %
20,000 .....	1985 .....	_____ %
25,000 .....	1986 .....	_____ %
25,000 .....	1987 .....	_____ %
30,000 .....	1988 .....	_____ %
30,000 .....	1989 .....	_____ %
35,000 .....	1990 .....	_____ %
35,000 .....	1991 .....	_____ %
40,000 .....	1992 .....	_____ %
40,000 .....	1993 .....	_____ %
45,000 .....	1994 .....	_____ %
50,000 .....	1995 .....	_____ %
55,000 .....	1996 .....	_____ %
60,000 .....	1997 .....	_____ %
65,000 .....	1998 .....	_____ %

Principal Amount	Maturing	Rate
\$ 70,000 .....	1999 .....	_____ %
75,000 .....	2000 .....	_____ %
80,000 .....	2001 .....	_____ %
85,000 .....	2002 .....	_____ %
95,000 .....	2003 .....	_____ %
100,000 .....	2004 .....	_____ %
110,000 .....	2005 .....	_____ %
120,000 .....	2006 .....	_____ %
130,000 .....	2007 .....	_____ %
140,000 .....	2008 .....	_____ %
150,000 .....	2009 .....	_____ %
160,000 .....	2010 .....	_____ %
175,000 .....	2011 .....	_____ %
190,000 .....	2012 .....	_____ %

## Net Interest Cost and Rate:

Total Interest .....	\$ _____
Less Premium .....	_____
Plus Discount .....	_____
Net Interest .....	\$ _____
Net Interest Rate .....	_____ %

The calculation of net interest cost and net interest rate is informative only and not part of this bid.

The proposal is subject to acceptance not later than twenty-six (26) hours after the expiration of the time for receipt of proposals as specified in the Notice of Sale. There is enclosed herewith a (certified) (cashier's) check for \$45,000 payable to the order of the Rancho Simi Recreation and Park District Public Facilities Corporation.

A list of the members of our account on whose behalf this bid is made is shown overleaf.

Respectfully submitted,

Name \_\_\_\_\_  
Account Manager

Address \_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_

NOTE: If we are awarded the bonds, we request that 200 copies of the Official Statement be delivered to \_\_\_\_\_  
\_\_\_\_\_ at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be from a notebook or a standard sheet of stationery. There is no handwriting or other markings on the page.



